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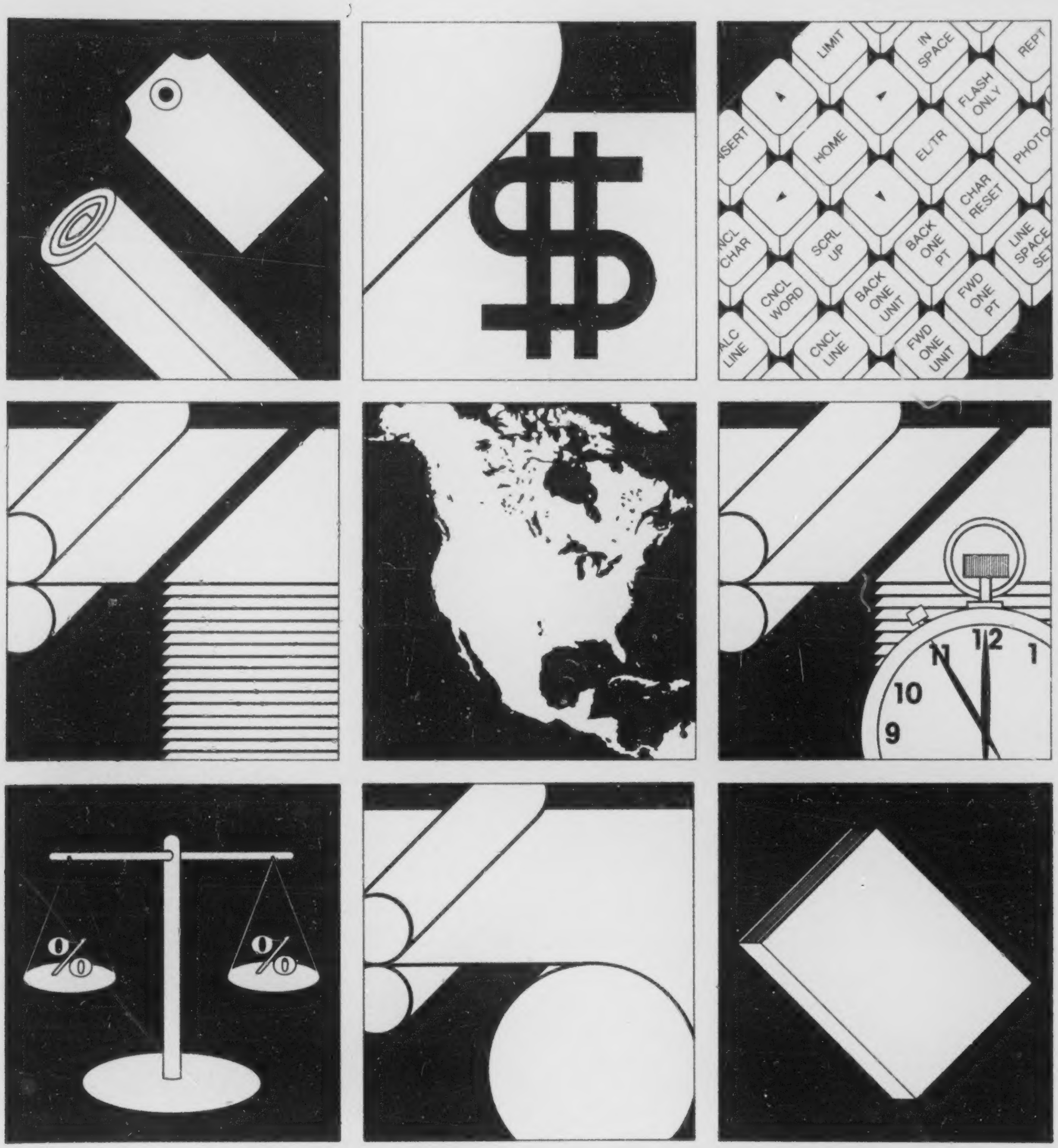
Printing
Industries of
America, Inc.

1983 Financial Ratios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Volume I

Management Guide to the PIA Ratios

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management
  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60th annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983

MANAGEMENT GUIDE TO THE PIA RATIO STUDIES

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DEAR MEMBER OF THE GRAPHIC ARTS COMMUNITY:

The PIA Ratio Studies are the most comprehensive financial reports available on the health of the graphic arts industry. To help you effectively use the PIA Ratios, it is our pleasure to present to you this management guide.

The guide is basically divided into three sections. General information about how to use the ratios is included in the first section. The second section includes step-by-step procedures to analyze the financial statements and important relationships inherent to the studies. Meaningful financial topics relative to the graphic arts field supplement the guide and comprise the third section.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling the PIA ratio studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H. R. Margolis Company

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Writer acknowledgements are in order to the following members of H. R. Margolis Company:

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Judith R. Trimble, CPA
Johnetta B. Teran, CPA
Timothy W. Duerr, CPA

SECTION 1 - HOW TO USE THE RATIOS

THE PIA RATIOS -- STANDARDS OF COMPARATIVE ANALYSIS FOR THE PRINTING INDUSTRY

I. STATISTICAL INFORMATION -- HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed according to a method of relative or common size. With this method each company's dollars are converted into a percentage of total dollars for all companies. Then these percentages are totaled and divided by the number of firms in the same category. This method avoids what is known as self-weighting, a common pitfall when dealing with various magnitudes, by giving each company equal weight regardless of its size.

The following example illustrates how this method of calculation eliminates the problem of the ratios giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 =	20.7%

II. ALL FIRMS

The term "All Firms" has two distinct meanings in the PIA Ratio Studies. Sometimes it refers to all printing firms participating in the studies; at other times it applies to participating firms in a given category -- for example, the sales class from $500,000 to $1,500,000.

III. PROFIT LEADERS

Why 8%?

The term "Profit Leaders" is used to describe those firms that earned 8% or more income before taxes as a percentage of sales. One may ask, why 8% - why not 6% or 10%? Nobody knows why 8% has become the standard with which to distinguish Profit Leaders. However, over the years, that figure has proven to be a satisfactory measurement. Each year, about 25% of participating firms achieve the distinction of Profit Leader, thus constituting an upper quartile of all participating firms. Historically, the average percentage of pretax profits attained by Profit Leaders is 12%. Therefore, it may be safe to assume that the relevant range of profitability of Profit Leaders is from 8% to 16% of sales, with the average Profit Leader actually achieving pretax profits of 12% rather than 8%.

	1979	1980	1981	1982	1983
Percentage of All Firms that are Profit Leaders	25.6%	26.9%	27.1%	25.2%	18.2%
Profit Leaders Income Before Taxes	11.91%	11.85%	11.88%	12.15%	12.08%

Source: PIA Ratio Studies

1982 was a financially disastrous year for the whole economy with a severe impact on PIA Profit Leaders and, thereby, All Firms, as portrayed in 1983's Ratio Study. However, even though the number of Profit Leaders dropped from 25% to 18% of all participating firms, Profit Leaders' average before tax income remained at 12%. Printers have to now pick up the pieces and surge forward to new and higher profits.

IV. WHY NOT ROI AS A MEASUREMENT?

PIA Ratios have shown that those printing firms earning 8% or greater pretax profits generate a healthy Return On Investment (ROI). The average ROI of Profit Leaders in recent years has been 17%. Indeed, ROI is one of the most comprehensive measures of profitability. So much so that many printers would like to see it as a criterion for determining Profit Leaders. Since ratios should be at a level that produces the optimum ROI over a period of time, changing the measure of profitability may have reasonable cause in the future. However, since most of the printing industry relates profit to sales instead of investment, and supporting data indicates that firms with pretax profits of 8% or greater have sound investment turnovers, there appears to be no reason to change the measure of profitability at the present time.

The ultimate objective of the printing manager in using financial comparative analysis, such as is presented in the PIA Ratio Studies, is to obtain qualitative information about the printing industry. He can then make good economic decisions for his business, and increase his printing company's profits. Generally, a printing manager wants to know........

Are my expenses too high in relation to my sales?
Do I have too little or too much inventory in stock?
Am I producing enough Value-Added Sales?
Can we meet our debts as they mature?
Are our customers receivables being collected rapidly?
Should we increase our selling prices?
How Can We Increase Our Profits??

The PIA Ratio Studies have historically provided insights for answering these and other questions, but only when used effectively. The effective use of the Ratio Studies is the subject of this management guide.

PURPOSE

Year after year, the PIA Ratio studies have proven that companies with vastly different sales volumes and that fall into many different categories can attain profits. Guiding you to higher profits is the primary purpose of the annual PIA Ratio Studies. Throughout the studies, there is relevant financial information designed specifically for your graphic arts firm. The key is knowing how to use these studies effectively. This management guide will assist you in maximizing your use of the PIA Ratios as well as provide additional insights into improving your printing profits. There are three basic steps in using the Ratios: set-up, comparison, and analysis. Each of these is discussed below.

I. SET-UP -- CHART YOUR ACCOUNTS

Initially, make sure your financial statements are set up in a format similar to the PIA Ratio Statements. These statements are geared to the printing industry and so putting your own statements into a similar form should be no problem for you. Once this is done, you will be better prepared to compare your financial results with those of similar firms and will be able to extract significant information for the profitable control of your company. The printing firm uses various accounts in recording its day to day transactions. A Chart of Accounts geared to your printing company is essential to produce meaningful financial statements.

A customized Chart of Accounts is your blueprint for producing meaningful financial statements. It provides the basic framework for collecting and recording financial data. Keep in mind, though, that every printing firm will have exceptions and requirements unique to its own operations. For example, one printer may have in-house bindery operations; another company may use an outside company for bindery services. To a certain extent, their accounts would differ. Nevertheless, you will find that the majority of account classifications presented here apply to your company as well.

Organize Raw Data

The first step in charting your accounts is to organize your raw financial data into groupings according to the lines of responsibility in your company's organizational chart. Frequently, the proper preliminary planning in organizing a Chart of Accounts is missing. When this happens, the result is an operating statement similar to the one in Example 1. The only relevant information supplied to this company's management is the profit number. Consequently, management is likely to find that not only is pinpointing problem areas difficult but also that there is no way to evaluate the company's operations. The reason is that accounts are not based on the organizational structure of the company; nor are factory, selling and administrative expenses segregated. In short, the company in Example 1 lacks a useful basic framework because detailed information is missing from its major accounts.

EXAMPLE 1 - HOW NOT TO CHART ACCOUNTS

SALES		$5,420,000
EXPENSES		
Wages	$1,788,600	
Materials	1,242,800	
Other Materials	732,200	
Factory Expense and Maintenance	277,900	
Utilities, Electric	21,300	
Delivery	59,000	
Travel	48,200	
Advertising	26,100	
Telephone	26,600	
Insurance	30,900	
Office Expense	139,800	
Bad Debts	21,700	
Heat	38,300	
Employee Benefits	142,500	
Miscellaneous Expense	72,600	
Commissions	149,000	
Sales Discounts	39,400	
Depreciation	166,400	
Rent	124,200	
Taxes	153,900	5,301,400
		118,600
OTHER INCOME		
Discounts Taken	92,300	
Other Income	45,500	137,800
PROFIT BEFORE INCOME TAXES		$ 256,400

Every company's financial system should be controlled through a Chart of Accounts. Furthermore, each account should be broken down so that it provides for the collection of as much information as is necessary, paying close attention to as many details as is possible. Generally, businesses use similar account structures in recording their transactions, listing their assets owned (cash, etc.), debts owed, income received (sales), and expenses. Specific accounts, though, are inherent in a particular industry -- in this case, printing. The PIA Standard Classification of Accounts is an excellent guide to use to begin customizing your own Chart of Accounts. For example, a well-designed Chart of Accounts separates a printer's Material Costs into paper, ink, film, plates, other chargeable materials and outside services. These accounts are common to most printing firms. Outside Services is further detailed into art, composition, offset preparation, printing services, bindery and other. Here, customization takes effect according to the printer's final product (see Example 2). Using this system, if any problem areas in Material Costs are imminent, they will be quickly detected.

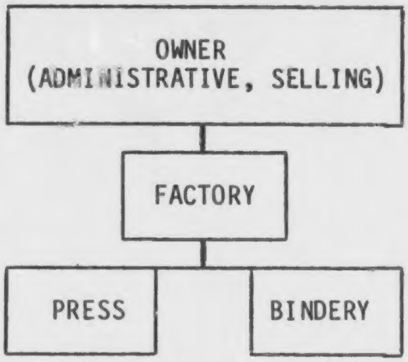
EXAMPLE 2 - HOW TO CHART ACCOUNTS

MATERIAL COSTS		
Paper		$XXX
Ink		XXX
Film		XXX
Plates		XXX
Other Chargeable Materials		XXX
Outside Services		
Art	$XXX	
Composition	XXX	
Offset Preparation	XXX	
Printing Services	XXX	
Bindery	XXX	
Other	XXX	XXX
TOTAL MATERIAL COSTS		$XXX

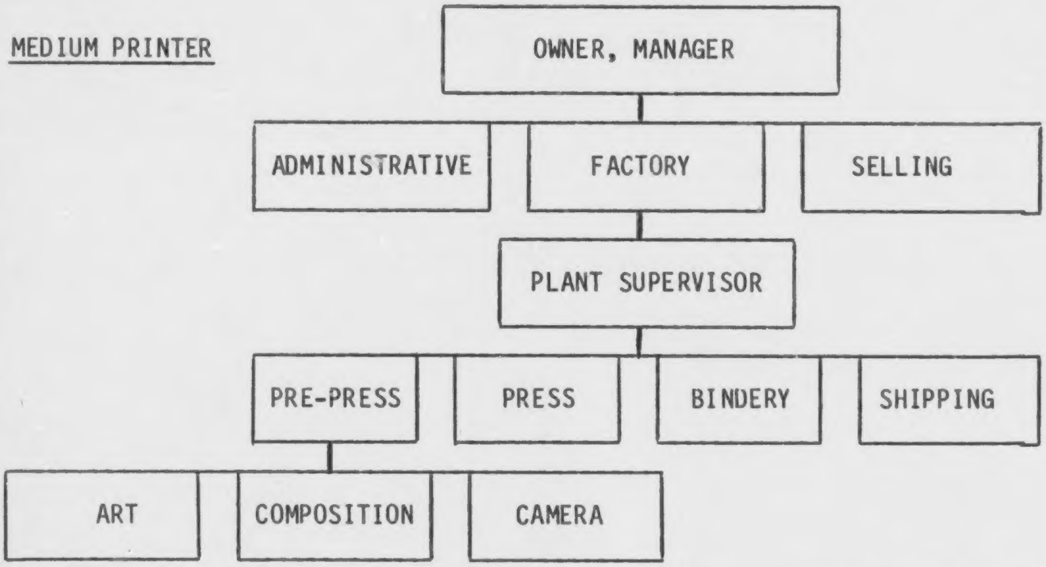
To reiterate, your Chart of Accounts should be based upon your organizational structure. If one does not exist, identify the major functions, departments and cost centers. Your organizational chart may be simple or complex depending on the size of your company, the products it produces and the processes involved. List your company's functions and/or departments and diagram them as has been done in the charts in Example 3. You may first want to make a flowchart of how items are processed through your present system.

EXAMPLE 3 - ORGANIZATIONAL CHARTS

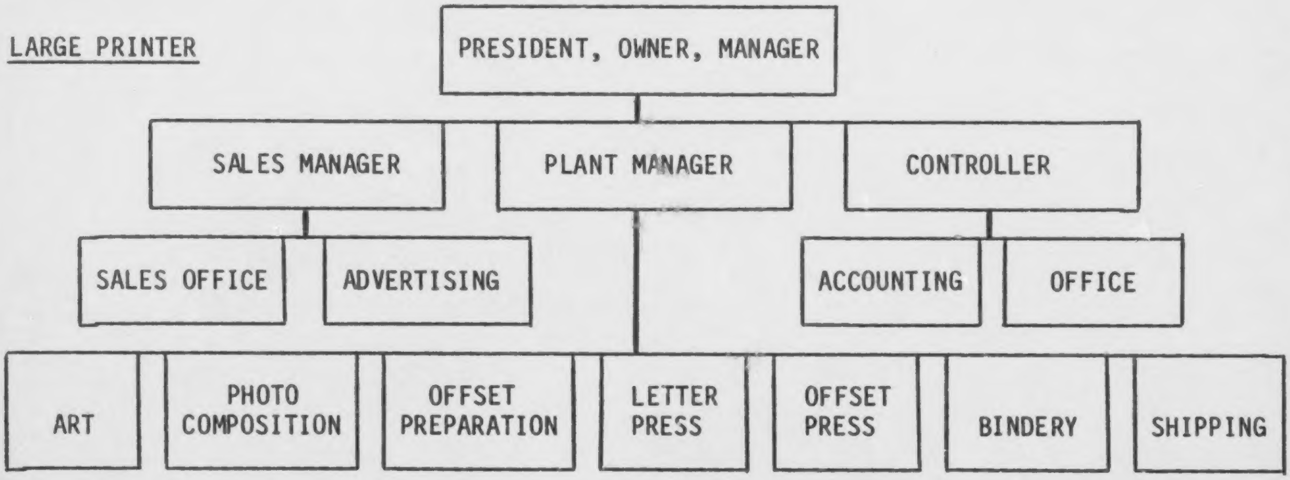
SMALL PRINTER


OWNER
(ADMINISTRATIVE, SELLING)
FACTORY
PRESS
BINDERY

MEDIUM PRINTER


OWNER, MANAGER
ADMINISTRATIVE
FACTORY
SELLING
PLANT SUPERVISOR
PRE-PRESS
PRESS
BINDERY
SHIPPING
ART
COMPOSITION
CAMERA

LARGE PRINTER


PRESIDENT, OWNER, MANAGER
SALES MANAGER
PLANT MANAGER
CONTROLLER
SALES OFFICE
ADVERTISING
ACCOUNTING
OFFICE
ART
PHOTO COMPOSITION
OFFSET PREPARATION
LETTER PRESS
OFFSET PRESS
BINDERY
SHIPPING

Identify Functions

Next, identify the income and expense items associated with each department. It is necessary to know each kind of revenue and each kind of expense incurred according to a cost center. Let us assume that you are a medium-size printer. According to the organizational structure illustrated here, the medium printer has administrative, selling and factory departments. The factory department is segregated into cost centers identified as pre-press, press, bindery and shipping. The pre-press cost center is further broken down into art, composition and camera cost centers.

Segregate Duties

You are now ready to chart your accounts. Let us concentrate on one expense -- PAYROLL. From your payroll records, identify each employee's job function. Then organize the functions appropriately (based on the organizational chart) into factory employees, administrative employees and selling employees. Also, organize the payroll-related expenses (payroll taxes and employee benefits) accordingly.

Allocating factory payroll is not really difficult, but it does take more planning because the bulk of your employees work in this department. Furthermore, this is where your work is accomplished. As an example, we will assume that from your payroll records we have identified 15 employees working in the factory. Their job functions (positions) are as follows:

JOB POSITIONS OF FACTORY WAGE-EARNERS

1. Plant Supervisor
2. Shipping Clerk
3. Truck Driver
4. Artist
5. General Helper
6. Pressman
7. Pressman's Apprentice
8. Proofreader
9. Compugraphic Operator
10. Stripper
11. Pressman
12. Cutter
13. Folder
14. Hand Binder
15. Cameraman

Now, match up each job with the corresponding cost center from the organizational chart. We know that general helpers are used in almost every cost center. To allocate their payroll expenses accordingly would be a wasteful effort. Cost-benefit analysis comes into play here. Their work cannot be directly chargeable to a certain job; therefore, their payroll expenses should not be classified as a direct labor function. The same principle holds true for the shipping clerk and the truck driver. These employees should be classified as indirect labor since they are responsible for general factory duties. (The PIA Standard Classification of Accounts itemizes these wages as General Factory Salaries and Wages and Packing, Shipping and Delivery Wages.)

How To Chart The Accounts

Referring to the PIA Standard Classification of Accounts, we will now chart your Factory Payroll accounts based on information obtained through organizing your raw data, identifying functions, and segregating duties. This is the result:

EXECUTIVE SALARIES	Plant Supervisor
INDIRECT WAGES	Shipping Clerk
	Truck Driver
	General Helper
DIRECT WAGES	
PRE-PRESS	
ART	Artist
COMPOSITION	Compugraphic Operator
	Proofreader
CAMERA	Stripper
	Cameraman
PRESS	Pressman
	Pressman's Apprentice
BINDERY	Cutter
	Folder
	Hand Binder

Combining departmental wages for your Statement of Income would result in the following:

FACTORY PAYROLL	
Executive Salaries	$XXX
Direct Wages	XXX
General Factory Wages	XXX
Packing, Shipping and Delivery Wages	XXX
Payroll Taxes	XXX
Employee Benefits	XXX
TOTAL FACTORY PAYROLL	$XXX

This illustration has concentrated on Factory Payroll only. Other expenses and revenues should be identified, segregated and charted according to relevant cost centers in the organizational chart. The result will be an organized Chart of Accounts from which you can draw information for meaningful financial statements.

Better Pricing, Costing And Control

Going a step further, the refinement of your Chart of Accounts will supply necessary data for other purposes as well. For example, a detailed Chart of Accounts can help you make more accurate hourly cost rate computations. This, in turn, will lead to better pricing and costing. Your Chart of Accounts puts at your fingertips valuable information for managing your budgeting and forecasting, and for successfully controlling your printing company's operations.

II. COMPARE

In order for you to compare your financial statements (derived from a well-designed chart of accounts) with the PIA Ratio Standards, there must be a common denominator that allows you to pinpoint potential strengths and weaknesses in your drive to boost profits. If you convert your dollars into percentages, you will have that common denominator. The results will be percentile statements called "common size" statements. Dollar amounts are different for each firm; "common size" statements are comparable because every company's base is the same - 100 per cent of sales, value added, or total assets.

Now, you are ready to compare your company's percentages with a target range -- the PIA PROFIT LEADERS. Total paper costs of $830,000 may be good, bad or indifferent, but paper costing 23 percent of sales suddenly becomes meaningful when compared to a target range (see Example 4).

EXAMPLE 4 - REPORT ON OPERATIONS

	YOUR COMPANY		PIA HIGH PROFIT STANDARDS	DIFFERENCE
	DOLLARS	"COMMON SIZE" OR % OF SALES	"COMMON SIZE" OR % OF SALES	MORE (LESS)
SALES OR VALUE OF PRODUCT PRODUCED	$3,620,000	100.00%	100.00%	-
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	830,100	22.93	21.89	1.04%
Other chargeable materials	199,800	5.52	5.30	0.22
Outside services	289,200	7.99	7.73	0.26
TOTAL MATERIAL	1,319,100	36.44	34.92	1.52
FACTORY PAYROLL	982,800	27.15	24.97	2.18
FACTORY EXPENSE	452,200	12.49	11.71	0.78
TOTAL FACTORY COST OF PRODUCT	2,754,100	76.08	71.60	4.48
GROSS PROFIT	865,900	23.92	28.40	(4.48)
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	369,200	10.20	9.16	1.04
Selling expenses	280,900	7.76	7.07	0.69
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	650,100	17.96	16.23	1.73
INCOME BEFORE INTEREST EXPENSE	215,800	5.96	12.17	(6.21)
Interest expense	75,000	2.07	1.38	0.69
OPERATING INCOME	140,800	3.89	10.79	(6.90)
Other income	30,400	0.84	1.36	(0.52)
INCOME BEFORE INCOME TAXES	$ 171,200	4.73%	12.15%	(7.42)%

Pick Your Category(ies) For Comparison

Within the Ratios, you may compare your "common size" statements or percentages with all firms in a particular category or with the target range of firms earning 8% or more before taxes (Profit Leaders). Keep in mind the common rule that in any comparative analysis there may be other relevant facts that may sway the balance. The Ratio Books suggest what these other relevant facts may be so you can refine your analysis. Your percentages may be compared to other similar companies in a number of different ways, as is illustrated below.

BY SALES VOLUME - Ratios and statistics are presented in six categories:

Sales to $250,000
$250,000 - $500,000
$500,000 - $1,500,000
$1,500,000 - $5,000,000
$5,000,000 - $10,000,000
Sales over $10,000,000*

* A separate PIA Ratio Book, LARGE PRINTING FIRMS' RATIOS breaks down this sales category as follows:

$10-20 million
$20-40 million
$40-80 million
Sales over $80 million (if applicable)

BY PRODUCT SPECIALTY - Companies producing similar products usually confront similar problems. Companies with over 50% of their sales volume in key market areas are presented in the following categories:

Commercial and Advertising
Magazine and Periodical
Newspaper
Packaging
Financial
Catalog and Directory
Label
Book
Typographers
Binders
Preparatory Specialists
Quick Printers

BY PROCESS - Comparisons of firms using the following predominant process provide significant information:

Sheetfed Offset
Web-Fed Offset - Heatset
Web-Fed Offset - Non Heatset
Combination Sheetfed and Web-Fed Offset

BY GEOGRAPHIC AREA - Significant comparisons can be made of companies in the same economic environment. The Ratio Studies break down geographic regions as:

New England and Upstate New York
Metropolitan New York and New Jersey
Eastern Pennsylvania, Maryland and D.C.
Southeast Atlantic
East North Central
South Central
Chicago Area
West North Central
Plains and Mountain States
Pacific Southwest
Pacific Northwest
Canada

Identify which of the aforementioned categories reflect your company's operations and compare your results with theirs. You will then be ready for the next and most important step in meaningfully using the ratios: ANALYSIS. Analysis will help you identify any problem areas in your company as well as point out profitable areas that you will probably want to maintain.

III. ANALYSIS

One reason for analyzing the financial picture of your printing business is to determine its overall position in the printing industry. However, that is not the only reason. Comparing your company with others in the industry enables you to determine which aspects of that position to maintain and which to improve in order to achieve your profit objective. Comparative financial analysis should be broad, so it is important to evaluate all of the ratios together, not individually. Moreover, your financial analysis should incorporate an examination of ratios over a period of time and include a comparison of results with trends in the printing industry.

Evaluate Ratios Collectively, Not Individually

While individual ratio results may reflect the health of one particular aspect of your printing company, looking at one ratio alone may not provide you with truly significant financial information. Each ratio should be viewed in light of other ratios and facts concerning your company. For example, increases in depreciation expense and interest expense percentages from the income statement may, at first glance, alarm the printing manager. An analysis of the balance sheet, however, may show that such alarm is unwarranted. Top management may have long range profit planning goals effected by plant expansion (increase in assets) funded through attractive debt-financing (increase in liabilities). A slow, outdated press may have been replaced by a new, more efficient one. Consequently, deeper analysis into the income statement may reveal that the company's income tax rate was lowered by investment tax credits and accelerated depreciation on the new press. Therefore, do not take one ratio out of context. Make your analysis broad enough to encompass all of your financial results.

Observe, Assess, Monitor

Observing your ratios on a continuing basis will produce a number of meaningful trends. Assessing the results may encourage the printing manager to take corrective action. Finally, monitoring ratios over a period of time helps see if the action taken was, in fact, appropriate.

Trend Analysis

As mentioned previously, examining printing industry ratios over a period of time can be useful in analyzing your firm's strengths and weaknesses. However, it is also possible that if one of your company's ratios is way "out of line", there may be nothing you can do to improve it. The whole printing industry may be experiencing a slump in that particular area. Furthermore, if it so happens that industry trends are showing improvement, any action on your part may be countereffective. For example, when paper costs soared nationwide, a hasty decision by the printing manager to lower inventories may have proven disastrous because shortly thereafter the supply of paper became scarce. Inadequate inventory would have disrupted production resulting in lost accounts, soaring operating expenses, and even more reduced profits.

Remember, historical trends provide clues and should be observed in lieu of other facts. Also, other factors may cause trends on an upward direction to reverse at anytime.

Assess The Printing Industry

Comparative financial relationships between your printing firm and the PIA standards provide crucial facts for sizing up your company's performance. Detailed information on effectively using the PIA Ratio Studies' results follow this section. This information is designed to furnish feedback to printing management so that management can investigate areas in most need of attention.

SECTION 2 - ANALYSIS OF THE RATIOS

VALUE ADDED - WHY IT'S IMPORTANT

Think back to the last time you were faced with this paradox: Sales are the same or even higher than they were last period, but profit is down. Clearly, this signals a grave concern. It means that something is wrong. In all probability, that something has to do with your company's Value Added, or inside sales. All too often, however, management is not familiar with the concept of Value Added and fails to recognize it as the root of the problem.

VALUE ADDED DEFINED

Value Added is a technical term for sales of a company's own manufacture. It is calculated as sales less materials costs and outside purchases.

SALES		$100
LESS: MATERIALS		
Paper	$22	
Other chargeable materials	6	
Outside services	7	35
VALUE ADDED		$ 65

VALUE ADDED MAXIMIZES PROFIT

By neglecting Value Added, printing firms pass over a valuable accounting procedure for maximizing profits. Of course, there can be reasons other than inattention to Value Added for a company's poor operating performance. However, time and time again, poor operating performance stems from failure to heed this one basic principle of accounting: Profit is achieved from sales of a company's own manufacture.

UNDERSTANDING VALUE ADDED

Once you understand that Value Added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry. Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the Value Added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor, other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. Furthermore, full-service printing is a highly fixed cost operation. This helps to understand the effect of Value Added on printing profits.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

THE BETTER STATEMENT

Statements of operations are more meaningful when prepared on the basis of Value Added, as shown below. In this type of presentation management starts its financial analysis with Value Added instead of with sales volume. Too often, printers tend to look to sales as the sole criterion of profit when, in fact, Value Added is always the better indicator. For example, consider these two possible results of a printing operation for a given month:

	Result A	Result B
SALES	$125,000	$ 90,000
MATERIALS	60,000	15,000
VALUE ADDED	$ 65,000	$ 75,000

This example shows that sales of $125,000 per month that produce $65,000 of Value Added are not as good as sales of $90,000 that provide $75,000 of Value Added. The latter yields $10,000 more with which to cover overhead. Clearly, the sales figures in the statement are misleading and the Value Added figures provide a truer picture of the company's activity.

By eliminating the distortion that material costs introduce into the conventional operating statement, Value Added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run sheetfed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than in its counterpart sheetfed operation as it relates to the Value Added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on Value Added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

MEANINGFUL MARK-UPS FOR COST

Understanding the Value Added concept permits focusing on the mark-up of materials for recovery of its share of overhead. It is essential that materials be priced at their cost plus their proper share of the allocated overhead. As Value Added is so important, it is imperative that the overhead recovered by materials be correct. The trite 5, 10 or 15% mark-up of materials (so-called handling charges) may or may not be correct. You should determine as a cost-center cost the correct overhead rate to be charged to materials. This is just as important as the correct press hourly rate.

Once this is done, you are looking at a cost sheet that contains materials with their share of overhead and cost-center costs. And now, you must apply the concept to profit mark-up. This will differ as the relationship of materials and manufacturing changes.

PROFIT MARK-UPS -- VALUE ADDED CONCEPT

Profit markups should take into account the Value Added concept; the higher the proportion of materials in a job, the higher should be the profit markup.

A sound profit markup policy is one which achieves and complements the business objectives of your firm. The point here is that printing firms should always seek to maximize their Value Added by attracting jobs with a high Value Added and by converting low Value Added jobs to higher ones. A general rule here is that the higher the Value Added, the more desirable the job and the lower the profit markup. Conversely, jobs with a small Value Added are less desirable and should receive a higher profit markup.

There is no neat mathematical formula to distinguish desirable jobs from less desirable ones. What is presented here is an overall philosophy which you can, with minimum effort, integrate into your own pricing procedures. For example, let's look at two jobs: one is a "good" job; the other is a "better" job.

GOOD JOB

Materials	$ 8,000
Cost center costs	2,000
TOTAL	$10,000

Before profit markup, the Value Added of this job is only $2,000. Now, price this job and include a profit.

Similarly, let's consider a better job:

BETTER JOB

Materials	$ 2,000
Cost center costs	8,000
TOTAL	$10,000

This second job has a Value Added of $8,000 before profit markup. Now, price this job with a profit markup.

If you followed the philosophy presented earlier, your prices should have included a higher profit markup for materials and cost centers in the good job and a lower profit markup in the better job. Why? Because the better job contributes more to overhead.

VALUE ADDED AND SALES COMPENSATION

One of the jobs of a good printing manager is to motivate the salesforce to improve its performance. However, while it is generally acknowledged that salespeople compensated on a commission basis are more effective than salaried salespeople, typically, little attention is paid to the kinds of jobs that they bring in. Commissions are based on total sales dollars regardless of the Value Added component of the sale.

The inequities of this system quickly become apparent when sales compensation is examined in light of the Value Added concept. For example, what is there in such a system to motivate the salesforce to bring in "better", high Value Added jobs? Nothing. Where is the reward for the salesperson who does bring in the "better" sales? No where.

Sales commissions should be a percentage of Value Added. Basing sales compensation on Value Added is not an untried concept. Quite conversely, it is becoming an increasingly popular policy among printing firms and has already been adopted by some of the most successful firms in the industry. In this system, the percentage of Value Added in a job is equivalent to the commission a salesperson would receive on an average sale that involves an average amount of materials. Although at first glance it would appear that your salespeople's earnings would be reduced if their commissions were based on fewer Value Added dollars, this is not the case. In fact, compensation for those salespeople who previously were selling high Value Added jobs -- those with a significant amount of inside manufacture -- would increase. Commissions would only be reduced for those individuals selling large amounts of paper and other outside services.

The motivational factor that is built into this system is, of course, higher commissions for salespeople who bring in higher Value Added jobs. The justification is that it is these jobs that pay overhead and produce a profit, and therefore, contribute most to management's objectives.

HOW WELL AM I DOING? - ANALYSIS OF THE REPORT ON OPERATIONS

WHAT THE REPORT ON OPERATIONS OFFERS MANAGEMENT

Every manager has to pause occasionally, step back, and ask himself, "How well am I doing?" In order to answer this question, he needs information about his organization. The operating statement is an excellent source for such information. Financial statements, in general, are essentially historical documents. They tell what has happened during a particular year or series of years. The most valuable information to most managers concerns what probably will happen in the future; and by comparing, evaluating and analyzing the historical operating statement, the manager has more than just a crystal ball with which to try to predict the coming year.

The effective manager uses the operating statement as an important tool in the decision-making process. Once historical data is accumulated and analyzed, the manager can formulate and plan for the future, set objectives and attempt to control the outcome of those plans.

PIA Ratios are especially helpful in deciphering operating results. By comparing his company with other companies in the industry, the printer can more easily pinpoint problem areas. Since the Ratios are percentages, a more precise comparison can be made with other plants regardless of variations in dollar amounts. Even closer evaluations can be made by printers if they obtain special volumes i.e.; By Process, Sheetfed, Web-fed, Large Printers, etc.; or By Geographic Area or Product Line. The discussion in this Guide, however, will deal with the book, Sales by Sales Volume -- All Printers.

A WORD ABOUT RATIOS IN GENERAL

Ratios should be viewed as a starting point. By comparing a printing company with the PIA Ratio results, a printing manager can gain insight into trends and make intelligent judgments as to their significance. Variances in PIA Ratios and one's company indicate what costs and expenses should be examined in greater depth.

At the same time, one should keep in mind the peculiarities of his business, technological changes and economic factors which affect the results shown on the operating statements.

Perhaps, the best way to approach the analysis of the operating statement ratios is to make the comparison between the PIA Ratios and your company; then when variances occur between the objective and the achieved, ask the following questions:

- Why did the costs differ?
- Was the difference adverse or favorable?
- Who was responsible for the difference?
- What can be done about it?

SAMPLE ANALYSIS OF THE OPERATING STATEMENT

The report on operations for All Printers is set up by sales range as follows:

All Firms Reporting
Sales to $250,000
Sales from $250,000 to $500,000
Sales from $500,000 to $1,500,000
Sales from $1,500,000 to $5,000,000
Sales from $5,000,000 to $10,000,000
Sales Over $10,000,000.

For each sales range, ratios are provided for all firms participating in that range. Ratios are also provided for "Profit Leaders" or those firms achieving 8% or more profit on sales. This column -- Profit Leaders -- should be our objective and our comparison will be directed toward the Profit Leaders.

The separate line items on the Report on Operations will be defined as each one is discussed.

On page 32 is the sample PIA Ratio - Report on Operations and Supporting Schedules along with a fictional company "Printemps". The PIA Ratios used in our sample are for discussion purposes only and do not reflect this year's results. In doing your comparison, please refer to this year's PIA Ratio Study, All Printers by Sales Volume.

Printemps, our example company, is a medium-size sheetfed offset printer. Its sales are $2,700,000 for the current year. From the sample Ratio Study, we have abstracted the columns for the sales range $1,500,000 to $5,000,000 for our comparison. Our next step was to list the dollar amounts from Printemp's operating statement to coincide with the PIA chart of accounts. We were then ready to convert the Printemps dollar figures to percentages of sales so that we can compare, side by side, Printemps operating results with the Ratio Study results.

Each company should go through the exercise of comparing its percentages item-by-item with the Ratio Study results.

In our analysis, we will begin by defining what costs should be included in various line items on the operating statement. We will then compare our sample, Printemps, with the study results, and discuss any differences. Finally, we will attempt to pinpoint what could have caused the variance and suggest how the area could be improved in the future.

SAMPLE COMPARISON

Sales [illegible] Value Of Product Produced

The starting point on the Report on Operations is sales. Sales are, of course, the value you place on your product. All the thrift-saving ideas about costs are insignificant if the printer does not price his product intelligently. You should know your costs. Printing is a made-to-order product. Every job is different and uses different facilities in your plant for various periods of time. In order to price your finished job, you must have a good system for gathering these costs and formulating a sales price that is competitive and profitable. Printemps' sales are $2,700,000. Further analysis will help evaluate how well the firm is pricing its product.

Manufacturing Costs - Material

Paper - For a printer, paper usually represents the largest single item of cost on the job. Printemps Ratios compare as follows:

PIA Profit Leaders	Printemps	Variance
21.95%	25.93%	(3.98%)

The variance is unfavorable and Printemps is using much more paper than PIA Profit Leaders. Some of the reasons this could occur are:

1. Purchasing policies at Printemps may need improvement.
2. Waste and spoilage may not be controlled properly. It is extremely important that paper be handled properly in all phases -- shipment, storage, pressroom, bindery, etc.
3. The type of paper used could also have an effect on paper costs as could product mix.

The effective manager will investigate these areas to find out where the problem or problems are occuring. Once this is done, corrective action can be taken to improve the situation.

Other Chargeable Materials

This line item on the operating statement has a supporting schedule (page 33) and includes the following:

	PIA Profit Leaders	Printemps	Variance
Ink	1.26%	1.39%	(0.13)%
Film	1.18	3.84	(2.66)
Plates	1.14	1.99	(0.85)
Other Chargeable Materials	1.19	0.09	1.10
	4.77%	7.31%	(2.54)%

Once again, our variance is unfavorable. Printemps may have a general problem with inventory control which could also affect the paper variance. If there is a perpetual system of inventory, is it working? Is there enough inventory on hand to prevent costs associated with rush orders? Another question could be whether or not the purchasing department is operating efficiently. Are prices compared periodically? Still another area for inspection would be the efficiency or inefficiency in handling materials. Are materials disappearing?

Especially high is Printemps variance from the PIA standard in film of 2.66%. Management explains this variance. Printemps has invested in a new scanner and is doing all of its own separations as well as some work for other area printers. This accounts for the Other Income which we will discuss later. Printemps also does predominantly high-quality color work which also accounts for the variance in film usage.

It may be good here to bring up the point that the ratios cannot be interpreted on an isolated basis. You must keep in mind your business and how it operates as you go through your evaluation.

Outside Services

Outside Services are those costs associated with work done on the outside for the printer. The chapter in this guide on Value Added gives a good explanation as to why it is beneficial for the printer to keep as much manufacturing in-house as possible. Printemps obviously sends a lot of its work out and could probably benefit from investigating the possibility of obtaining the necessary additional means to perform some of these manufacturing steps itself. Our Ratios compare as follows:

	PIA Profit Leaders	Printemps	Variance
Composition	0.91%	1.89%	(0.98)%
Offset Preparation	1.98	1.44	0.54
Printing	1.89	1.85	0.04
Binding	2.46	1.11	1.35
Other Outside Services	1.20	2.94	(1.74)
	8.44%	9.23%	(0.79)%

While Printemps fares well in Offset Preparation and Binding, since it does most of its own separations and binding, it still needs help with typesetting, an area which pulls its Composition costs way up. In order to improve production and costs, Printemps has already begun negotiating to purchase part of a local typesetting company. Such a move will certainly improve its Value Added position and should increase profits. Other Outside Services is an area which Printemps' managers should investigate. An analysis of where these costs are coming from may be beneficial in controlling costs and keeping the work in-house whenever possible.

Factory Payroll

Labor costs in graphic arts have been and continue to be a large percentage of sales. This is one area that can have drastic results on the bottom line of your operating statement. Even though you may feel trapped into accepting high labor costs, there are ways to make sure that you are getting as much benefit from the costs as possible. Let's take a look at Printemps' payroll section:

	PIA Profit Leaders	Printemps	Variance
Salaries-Executive	1.82%	2.78%	(0.96)%
Direct Wages	15.90	19.63	(3.73)
General Factory Wages and Salaries	2.56	0.89	1.67
Packing, Shipping and Delivery	0.83	-	0.83
Payroll Taxes	1.24	1.93	(0.69)
Employee Benefits	1.50	1.46	0.04
	23.85%	26.69%	(2.84)%

Allocation of factory wages between direct wages and general factory salaries is always difficult. When you prepare your numbers just remember that Direct Wages are earned by employees engaged in production and General Factory Salaries are for work not directly related to chargeable jobs. It may be more meaningful to analyze all factory wages combined to get the overall effect of how you compare with profit leaders in the industry.

Printemps spends 2.84% more for factory payroll than the PIA Profit Leaders. Going down the schedule, we see executive salaries are high; but we know Printemps is not a large company and the factory executive may well be one of the principals in the business.

Printemps major variance occurs in Direct Wages. It may be wise for the manager to sit down and review the following labor checklist for possible causes:

1. Do you know how to cost your labor contract? Have you anticipated costs involved and bargained intelligently?
2. Do you have a good system for gathering job costs so that jobs can be priced realistically?
3. Do you have an excessive amount of overtime and do you know at what point overtime is and is not profitable?
4. Do you schedule vacations for slack periods?
5. Do you try to avoid idle time? Do employees wait around because of:
    - poor instruction
    - no material
    - no power
    - no repairman
6. Are production operations delayed while you make decisions or, even worse, is one job removed from a press to get a "rush" job through causing extra make-ready time?
7. Do sales and manufacturing departments work together to determine which of the jobs to be completed has economical priority?

Because labor is so expensive, management has to watch it closely, and control costs tightly. Printemps is trying to do this by putting one of the owners of the business on the production floor. This will help keep the lines of comunication open between management and factory and should promote efficient operation of the plant.

Factory Expenses

On our Chart of Accounts, Factory Expenses are classified as Fixed and Other. Fixed Expenses remain relatively constant regardless of the level of productivity. Printemps total fixed expenses compare as follows:

	PIA Profit Leaders	Printemps	Variance
Total Fixed Expenses	6.49%	7.72%	(1.23)%

The largest variance in this classification occurs in:

Depreciation-Other	1.24% unfavorable
Insurance	1.41% unfavorable
Utilities	0.37% unfavorable

We know that Printemps recently purchased the scanner and this caused depreciation expense to increase. Insurance, however, is an area for investigation. Management should review its insurance coverage and determine if it is getting the best price available.

Printemps should also be concerned about its utility cost, and perhaps review its energy-saving plans. Are machines shut down when not in use? Is the plant heating system outdated and inefficient?

Other Factory Expenses are expenses which vary with the level of production. Control of these expenses is important to overall profit. Our sample company again needs improvement:

	PIA Profit Leaders	Printemps	Variance
Factory Supplies & Expense	1.68%	2.96%	(1.28)%
Packing, Shipping & Delivery	1.13	1.30	(0.17)
Repairs and Maintenance	1.12	1.85	(0.73)
Other Factory Expenses	0.62	0.38	0.24
	4.55%	6.49%	(1.94)%

Factory Supplies and Expense should be examined. Are supplies controlled and purchased effectively? The variance of 1.28% merits inspection. Repairs and Maintenance also is unfavorably over Profit Leaders by 0.73%. Perhaps, Printemps should review its preventative maintenance policies to see whether machines are breaking down due to neglect or age.

Gross Profit

We have now come to the Gross Profit line in our Report on Operations. This is a good time to stop in your analysis and look back at your manufacturing performance and results. Printemps gross profit percentage is 16.63% compared to the PIA Ratio Profit Leaders of 29.95%. In our analysis so far we have discussed where the significant variances appear to be and possible solutions for improving problem areas. Many times the most controllable costs are above the gross profit line; and if your firm is consistently below the industry leaders in the gross profit percentage, you must examine the problem areas closely and be prepared to tighten your belt. Our gross profit has to be high enough to cover administrative and selling expenses and the enormous interest expense many of us are paying today.

Administrative Expenses

Printemps has a small administrative staff. There is the president, who is the administrative executive; a bookkeeper; and a receptionist/secretary. The president keeps control of administrative costs and has favorably exceeded Profit Leaders in this area.

	PIA Profit Leaders	Printemps	Variance
Total Administrative Costs	9.66%	7.64%	2.02%

General areas for control in the Administrative section, among other things, are office supplies and expenses, postage, and telephone expense. These items can be watched for effective purchasing and usage.

Bad debts are another area where management can improve results by formulating good sound credit and collection policies and seeing that those policies are followed.

The greater portion of administrative costs is likely to be insensitive to fluctuation in either production or sales and hence uncontrollable in relation to volume. The manager should try to determine if the overall cost of administrative expense can be justified in terms of efficient operations.

Selling Expenses

Printemps Selling Expenses are also low compared to the PIA Profit Leaders.

	PIA Profit Leaders	Printemps	Variance
Total Selling Expenses	7.66%	6.00%	1.66%

This variance may not be as favorable as it appears. It may indicate that Printemps is not spending enough time and money to market its products and increase sales. There is one selling executive and one salesman. Obviously, the president of the company does some marketing, and while travel and entertainment is actually higher than the Profit Leaders by 0.14% (let the business pay for it syndrome) it is doubtful that Printemps is being as aggressive as it should in its selling efforts.

Interest Expense And Other Income

Printemps compares with the PIA Profit Leaders in this classification as follows:

	PIA Profit Leaders	Printemps	Variance
Interest Expense	1.22%	3.33%	(2.11)%
Other Income	1.06	1.30	0.24

Interest Expense is high for Printemps. Besides rather large long-term notes used to finance equipment, the company has been forced to seek short-term working capital demand notes at high interest rates. It would be wise for it to try to improve its cash flow so that these short-term notes could be kept to a minimum. Proper planning, efficient billing practices and collection procedures may help the flow of cash.

Other Income from separation work discussed earlier helps Printemps Income Before Income Taxes look better. For printers who do not have cash flow problems, it is wise to make sure that idle funds are effectively invested so that interest income can be realized.

The Bottom Line

This brief example has barely scratched the surface in the analysis of individual company operating results with the PIA Ratio Study. As variances are examined, it will be helpful to refer to other parts of the study. For example, in an analysis of Direct Wages, reference to Significant Facts tables will give the average wages in a particular sales range per employee.

Examination and analysis of the Balance Sheet and Return on Investment sections should also be integrated with the Operating Statement analysis in order to get the whole picture.

Once you have gone through the exercise of comparing your results with the industry standards for the current year and have isolated the differences from the historical data, it is time for you to plan and set objectives for the future. Proper understanding of the Ratio Study and diligent commitment on your part should result in improved operations. You already know how well you have done in the past year. The next question to tackle is, "How can I do better next year?"

REPORT ON OPERATIONS - SALES = 100%

	SALES FROM $1,500,000-$5,000,000		PRINTEMPS	
	ALL FIRMS	PROFIT LEADERS		
	%	%	$	%
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	$2,700,000	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	22.97	21.95	700,000	25.93
Other chargeable materials	5.39	4.77	197,500	7.31
Outside services	8.52	8.44	249,300	9.23
TOTAL MATERIAL	36.88	35.16	1,146,800	42.47
FACTORY PAYROLL	27.00	23.85	720,600	26.69
FACTORY EXPENSES	11.78	11.04	383,500	14.21
TOTAL FACTORY COST OF PRODUCT	75.66	70.05	2,250,900	83.37
GROSS PROFIT	24.34	29.95	449,100	16.63
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	9.66	9.66	206,300	7.64
Selling expenses	8.62	7.66	162,000	6.00
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	18.28	17.32	368,300	13.64
INCOME BEFORE INTEREST EXPENSE	6.06	12.63	80,800	2.99
Interest expense	2.15	1.22	90,000	3.33
OPERATING INCOME (LOSS)	3.91	11.41	(9,200)	(0.34)
Other income	0.76	1.06	35,000	1.30
INCOME BEFORE INCOME TAXES	4.67%	12.47%	$ 25,800	0.96%

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS	PRINTEMPS	
	%	%	$	%
OTHER CHARGEABLE MATERIALS				
Ink	1.47%	1.26%	$ 37,600	1.39%
Film	1.27	1.18	103,700	3.84
Plates	1.33	1.14	53,700	1.99
Other chargeable materials	1.32	1.19	2,500	0.09
TOTAL OTHER CHARGEABLE MATERIALS	5.39%	4.77%	$197,500	7.31%
OUTSIDE SERVICES				
Composition	1.04%	0.91%	$ 51,000	1.89%
Offset preparation	1.65	1.98	39,000	1.44
Printing	1.72	1.89	50,000	1.85
Binding	2.24	2.46	30,000	1.11
Other outside services	1.87	1.20	79,300	2.94
TOTAL OUTSIDE SERVICES	8.52%	8.44%	$249,300	9.23%
FACTORY PAYROLL				
Salaries - executive	1.81%	1.82%	$ 75,000	2.78%
Direct wages	17.96	15.90	530,000	19.63
General factory salaries and wages	2.86	2.56	24,000	0.89
Packing, shipping and delivery wages	0.92	0.83	-	-
Payroll taxes	1.58	1.24	52,000	1.93
Employee benefits	1.87	1.50	39,600	1.46
TOTAL FACTORY PAYROLL	27.00%	23.85%	$720,600	26.69%
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.23%	0.21%	$ 10,000	0.36%
Depreciation - other	2.79	2.76	108,000	4.00
Taxes - real estate	0.19	0.17	5,000	0.19
Taxes - other	0.17	0.13	-	-
Insurance	0.49	0.48	51,000	1.89
Building rent	1.26	1.42	-	-
Utilities - heat, light, etc.	1.01	0.82	32,000	1.19
Equipment rental	0.56	0.50	2,500	0.09
Total Fixed Expenses	6.70	6.49	208,500	7.72
Other Expenses				
Factory supplies and expense	2.12	1.68	80,000	2.96
Packing, shipping and delivery expense	1.00	1.13	35,000	1.30
Repairs and maintenance	1.25	1.12	50,000	1.85
Other factory expenses	0.71	0.62	10,000	0.38
Total Other Expenses	5.08	4.55	175,000	6.49
TOTAL FACTORY EXPENSES	11.78%	11.04%	$383,500	14.21%

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS	PRINTEMPS	
	%	%	$	%
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.81%	2.98%	$ 80,000	2.96%
Salaries - office	2.51	2.53	40,000	1.48
Payroll taxes	0.32	0.30	7,000	0.26
Employee benefits	0.57	0.59	18,000	0.67
Bad debts	0.36	0.28	5,000	0.19
Office supplies and expenses	0.50	0.49	3,000	0.11
Professional fees	0.56	0.54	8,000	0.30
Taxes - business	0.19	0.23	300	0.01
Telephone	0.45	0.42	10,000	0.36
Other administrative expenses	1.39	1.30	35,000	1.30
TOTAL ADMINISTRATIVE EXPENSES	9.66%	9.66%	$206,300	7.64%
SELLING EXPENSES				
Salaries - executive	1.23%	1.17%	$ 50,000	1.85%
Salaries and commissions - salesmen	4.23	3.81	60,000	2.22
Salaries - sales office clerical	0.60	0.44	10,000	0.37
Payroll taxes	0.29	0.24	8,000	0.30
Employee benefits	0.31	0.29	6,000	0.22
Advertising	0.38	0.39	500	0.02
Travel and entertainment	0.93	0.79	25,000	0.93
Other selling expenses	0.65	0.53	2,500	0.09
TOTAL SELLING EXPENSES	8.62%	7.66%	$162,000	6.00%

THE BALANCE SHEET -- HOW WE STAND

The balance sheet (statement of financial position) exposes the financial backbone of a printing company. It is a snapshot of the printer's assets, liabilities and owners' equity at a particular point in time. The statement is called a balance sheet because its two sides must balance. Mathematically, the balance sheet equation is as follows:

$$\text{Assets} = \text{Liabilities} + \text{Owners' Equity}$$

OR

$$\text{Assets} - \text{Liabilities} = \text{Owners' Equity}$$

A printing company's assets are everything the company owns. Liabilities are everything the company owes. Owners' equity is the excess of assets over liabilities. It is the financial interest of the proprietor, partners or shareholder(s) -- whoever owns the company. Another term for proprietors', partners', or shareholders' equity is "net worth", a term not as widely used today as in the past.

A good printing manager must have an understanding of the components of a balance sheet and their relationship to company operations. An intelligent evaluation of the make-up of the balance sheet and its ratios reveals many factors about a company's operational capability.

Remember that particular ratios and relationships may differ depending on predominant processes used or products produced by the printer. For example, it is likely that a web-offset printer would have more capital-intensive assets and, correspondingly, more liabilities or equity to support those assets than a sheetfed printer because of the apparent economics of cost not available to the latter. By following the general analysis below, all printing managers should be able to customize and compare their own firm's results. Again, we will focus on the balance sheet of the imaginary company, Printemps, as compared to the sample PIA ratio balance sheet on page 46.

ASSETS - THE PRINTER'S INVESTMENT

How many dollars in assets should we invest to produce X dollars in profit? This is not an easy question to solve. Our profitability measure of Return on Investment has been defined as income divided by assets. (This guide evaluates many facets of Return on Investment in a later section.) The mathematical equation of ROI is Income divided by Assets. To increase ROI, two options are available--either increase income or reduce assets.

$$\text{ROI} = \frac{\text{Income}}{\text{Assets}}$$

$$\text{To Increase ROI: } \begin{Bmatrix} \text{(1) Increase income} \\ \text{(2) Decrease assets} \end{Bmatrix}$$

In this analysis of the balance sheet, we will concentrate on reducing assets or, more importantly, making sure our assets are being managed properly and efficiently to produce income.

Because printing is a highly capital-intensive industry, many types of assets are utilized. They are normally segregated into Current Assets, Fixed Assets, and Other Assets.

Current Assets	$XXX
Fixed Assets	XXX
Other Assets	XXX
Total Assets	$XXX

We will examine each type of asset as it relates to printing.

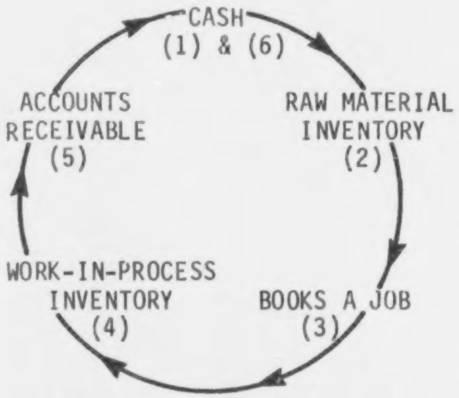
CURRENT ASSETS - THE PRINTER'S LIQUIDITY

Traditionally, current assets are listed on the balance sheet in the order of liquidity. They are often referred to as a company's liquid assets; i.e., assets that it can convert to cash quickly, usually within a period of a year. A printer uses these assets to pay his trade accounts payable or other liabilities due within a period of a year and, hopefully, has some left over at the end of the period.

Current assets follow a circular process during the year. They are used up and replaced on a continuous basis. For the average printer, this process will take place many times a year.

To analyze the printer's trading cycle, consider the following:

(1) A company starts with cash;
(2) next, it purchases raw materials -- paper, ink, film, etc.;
(3) then it books an order and;
(4) puts costs and materials into work-in-process.
(5) When the job is completed and shipped, the work-in-process inventory becomes an account receivable.
(6) Finally, the account receivable is converted back into cash and the cycle starts anew.



THE CLUE HERE IS TO HASTEN THE TRADING CYCLE FOR MORE PROFITS.

THE KEY IS TO MINIMIZE THE TIME INVOLVED IN THE CYCLE -- THE MORE CYCLES PER YEAR, THE MORE PROFIT GENERATED.

TURNOVER

Turnover is the time it takes to complete the trading cycle. Optimizing your turnover is in keeping with sound accounting principles, but appears to be in conflict with some printers' practices. Too often production, estimating, and sales personnel seek extra time to do a job--even though the faster the job is done, the better the turnover position. If management is to improve its profits, it must insist that the trading cycle be completed as quickly as possible.

Two ratios are critical in analyzing the movement or rapidity of the cycle. They are the inventory turnover and the collection period of receivables. It is imperative that printers understand how these two ratios operate and try diligently to improve them. Time after time, printing companies that have been sliding down the profit line have climbed back to a healthy position by improving their turnover. One printing company, for example, had been forced into heavy debt several years ago. In analyzing its operations, it was discovered that the collection period of receivables was approximately 48 days. After management installed tighter credit policies and monitored collection procedures more closely, it took only a short period of time to reduce the collection period to 36 days and eliminate a major portion of the debt.

Let us now analyze each current asset, generally, and then more specifically to see how Printemps' ratios compare to the industry as a whole.

CASH

The amount of cash a company should have on hand varies according to several factors. Having either too much or too little may both be problems, depending on the situation at hand. A profitable company will generate a surplus of cash after paying expenses. Conversely, a company in a loss situation will be pushed into using its cash to cover expenses. Similarly, a company in its growth stage will need more cash for investments and debt commitments and for building up sufficient inventories than will an established printing company. Historically, profit leaders generally maintain 11 percent of their total assets in cash. Your company may need more or less.

CASH CONTROL

Cash control is most important to a printer since almost every transaction will eventually result in either receiving or disbursing cash. Because cash is easily concealed and very liquid, it is more susceptible to theft or misappropriation than any other asset. It is incumbent on management, therefore, to maintain adequate control and accountability of its cash. Primarily, the printing manager must insure that the following procedures are being carried out:

1. Cash is recorded and deposited promptly after receipt.
2. All cash disbursements are made by check. (It is common for printers to have a petty cash fund for small expenditures that would be impractical to make by check. Just make sure the expenditures are small.)
3. Persons dealing with cash should have segregated duties. For example, the invoice preparer should not make bank deposits and the person writing checks should not reconcile the bank statements.

At first glance, when examining Printemps cash ratio, it may look as if the company has a cash deficiency because it has 5.39 percent less cash than the Profit Leaders. Yet, further analysis reveals that if both cash and receivables are totaled, the difference between Printemps and the Profit Leaders is only 1.17 percent. However, Printemps' cash as a percent of total assets may indicate a low receivable turnover and an inability to retain cash.

PERCENT OF TOTAL ASSETS

	Printemps	Profit Leaders	Difference
Cash	6.62%	12.01%	(5.39)%
Accounts Receivable	32.51	28.29	4.22
Total	39.13%	40.30%	(1.17)%

ACCOUNTS RECEIVABLE

Reason for concern may focus on the accounts receivable percentages. Remember, the balance sheet shows a company's financial picture at a particular point in time. Year after year, the PIA Ratios have shown that all firms, like Printemps, have a consistently higher ratio of receivables to total assets on their balance sheets than do Profit Leaders. A positive observation may be that the higher the sales, the larger the receivable balance. If sales were, in fact, increasing, there would be no cause for alarm, but, usually that is not the case. High receivable balances may not be bad, but should be investigated.

HOW FAST CASH IS COLLECTED

Let's delve further into accounts receivable ratios. The collection period of accounts receivable is an activity ratio indicating how effectively the company is collecting cash from its customers after sales are made. The sooner the printer collects the cash due, the sooner the money can be put to use -- to invest in more assets, to pay off liabilities, or to earn interest. As the collection period increases or decreases, it affects a company's cash, receivables, inventory, payables, and interest; generally it affects the whole company's operations.

The collection period is computed by dividing the average accounts receivable by the annual sales figure and then multiplying the result by 365 as follows:

$$\text{COLLECTION PERIOD OF RECEIVABLES} = \frac{\text{AVERAGE ACCOUNTS RECEIVABLE}}{\text{ANNUAL SALES}} \times 365$$

This ratio is indicative of credit and collection policies. Most printing firms have about one-sixth of their annual sales in accounts receivable. For example, if sales were $2,500,000, a typical firm would have $400,000 in accounts receivable. This would produce a real or imputed economic interest cost of at least $48,000 a year. Reducing the collection period reduces the portion of assets in receivables and related interest costs.

PRINTEMPS COLLECTION PERIOD OF RECEIVABLES............ 52.7 days

PROFIT LEADERS..................................... 54.3 days

Printemps seemingly has a good credit policy compared to the printing industry as a whole. A collection period of 52.7 days is not bad but it could be better. All printers, including Profit Leaders, should heed a bit of advice taking all possible measures to shorten their collection periods to approximately 35 to 40 days. Some ways to do this are:

1. BILL CUSTOMERS DAILY, not at the end of the month, as most printers do.
2. Offer effective incentives for customers to pay on time.
3. Seek good, credit worthy, customers.

Usually, a small percentage of a company's accounts receivable will not be paid, thus becoming a bad debt. To show a better picture of receivables that will actually be collected, accounts receivable are shown on the balance sheet after an estimate of losses is deducted.

AVERAGE RECEIVABLES

The collection period ratio of receivables takes into consideration credit sales, but in printing, credit sales are almost synonymous with sales. Very rarely do printers (with the exception of the quick printer) have cash sales. "Average receivables" is the sum of beginning of the year receivables and end of the year accounts receivable balances divided by two:

$$\frac{\substack{\text{BEGINNING ACCOUNTS RECEIVABLE} \\ \text{PLUS} \\ \text{ENDING ACCOUNTS RECEIVABLE}}}{2}$$

A better average may be derived from using the beginning of the year balance plus the end of each month's balance divided by thirteen. The better the average, the more accurate the collection period computation.

INVENTORY

The printer's inventory is the sum of work-in-process, paper and other chargeable materials, and supplies. Because the majority of a printer's sales are specialized jobs produced "to order", finished goods inventory may be small or non-existent.

While inventory may at first glance appear simple and straightforward, inventory valuation methods vary among printers. The amount of a firm's inventory changes depending on the method used (FIFO, LIFO, etc). Management must decide which practice is best for them.

Printemps' inventory represents 12.79 percent of total assets, or 1.82 percent more than the Profit Leaders' inventory. Printemps may or may not be carrying excessive inventory in stock, but should either keep a perpetual inventory system or take a physical inventory monthly to properly control and safeguard its inventory. Printemps' manager should make sure there are sufficient funds with which to pay current liabilities and that too much cash is not tied up in inventory.

Earlier, it was mentioned that inventory turnover is a critical ratio in hastening the printer's trading cycle and, thereby, increasing profits. The formula is:

$$\frac{\text{COST OF MATERIALS SOLD}}{\text{AVERAGE INVENTORY}} = \text{INVENTORY TURNOVER}$$

Printemps	Profit Leaders
5.84	4.50

The cost of materials sold is taken from the income statement. Specifically, this includes paper and other chargeable material costs. Outside services, such as binding, are not included because they have no effect on inventory.

Some financial analysts will use sales rather than cost of materials in computing turnover. Since printers value inventories at cost, cost of materials sold gives a more accurate figure in calculating the ratio. Using the yearly average inventory is particularly important for printers because of the significant volume changes during the year.

A low inventory turnover indicates the possibility of a larger than necessary investment in inventory. A higher turnover implies better management and control. Printemps appears to be managing its inventory well.

If your inventory turnover seems out of line with PIA standards, examine your turnover by analyzing each facet of your inventory in depth.

WORK-IN-PROCESS TURNOVER

Work-in-process offers the greatest opportunity to improve inventory turnover. The faster a job is shipped out of the plant, the greater the profit potential and the more beneficial the effect on the company's capital position. The two results are as follows:

1. Less time is spent on a job.
2. Less cash is tied up in inventory.

The formula for the work-in-process turnover is:

$$\text{WORK-IN-PROCESS TURNOVER} = \frac{\text{COST OF PRODUCT PRODUCED (MATERIALS, LABOR, OVERHEAD)}}{\text{AVERAGE WORK-IN-PROCESS INVENTORY}}$$

Some printers have a fast turn-around from the time an order is put into production to its finished state. These firms will have less work-in-process. Other printers have a much longer production cycle because of the nature of their work and will have a significantly higher work-in-process inventory.

PAPER AND OTHER CHARGEABLE MATERIALS INVENTORY

Chargeable materials represent a substantial part of inventory. Printers are now required to carry more paper inventory than in the past. Inventory turnover improves when inventory levels are optimized and the storage time of materials (primarily paper) prior to production is reduced.

$$\frac{\text{PAPER USED}}{\text{AVERAGE PAPER INVENTORY}} = \text{PAPER INVENTORY TURNOVER}$$

$$\frac{\text{OTHER CHARGEABLE MATERIALS USED}}{\text{AVERAGE OTHER CHARGEABLE MATERIALS INVENTORY}} = \text{OTHER CHARGEABLE MATERIALS INVENTORY TURNOVER}$$

OTHER CURRENT ASSETS

Because the percentages are usually small, other current assets generally do not play a significant role in ratio analyses. Other current assets usually include various prepaid expense accounts; i.e., insurance, taxes, etc.

PROPERTY, PLANT AND EQUIPMENT

As mentioned earlier, printing companies are highly capital-intensive. New machinery costs are soaring; in many cases, used equipment is selling at prices approximating its original price tag. Therefore, their percentages usually comprise the major portion of all the assets. These assets are not for sale but are used in the operations of the printing process. Property, plant and equipment, with the exception of land, are depreciated over a period of time. The methods of depreciation vary; a printer usually uses one method of depreciation for tax purposes, and another method for financial reporting (book) purposes.

For book purposes, the printer should depreciate assets using the straight-line method over the estimated useful life of the asset. For tax purposes, printers should use the accelerated cost recovery system (ACRS) percentages to depreciate furniture, fixtures, machinery and equipment. The depreciation method decision for real estate should be carefully planned.

	Printemps	Profit Leaders
NET PROPERTY, PLANT AND EQUIPMENT	39.76%	38.24%

Printemps' property, plant and equipment percentage compares favorably to that of the Profit Leaders. These percentages may vary considerably among different types of printers and different circumstances. For example, it may be advantageous for one printer to own his plant, but for another printer living in a different geographic region, real estate costs may be outrageously expensive. Machinery and equipment percentages vary widely depending on the processes different printers use.

More important than the percentage of fixed assets owned, Printemps' manager should consider the following:

1. Is equipment being operated at capacity?
2. Is the company using outdated inefficient equipment?
3. Can extra space held for future expansion be temporarily leased?

OTHER ASSETS

Other assets may include deposits, the cash surrender value of officers' life insurance (preferably netted against loans payable to the insurance company), and goodwill. Printemps and the profit leaders ratios are almost identical. Generally, printers have no real problems with their "Other Assets".

LIABILITIES AND EQUITY

The liability and equity section of the balance sheet shows the distribution of each dollar of assets as follows:

LIABILITIES ($) ----------> OBLIGATIONS
EQUITY ($) ----------> OWNERSHIP

LIABILITIES - WHAT WE OWE

Liabilities are mainly broken down into current and long-term liabilities. We will first examine the printer's current liabilities and then discuss long-term liabilities.

CURRENT LIABILITIES

Current liabilities are obligations that usually fall due within a period of a year and will be paid by current assets. They include the obligations generated by the operating cycle, such as money owed to suppliers for the acquisition of material and supplies, collections billed in advance of delivery, salaries payable to employees, interest or principal payments due on notes, income taxes, and any other payable which is due in the next operating period.

	Printemps	Profit Leaders	Difference
Notes Payable	9.29%	5.77%	3.52%
Accounts Payable	13.85	9.74	4.11
Other Current Liabilities	9.93	9.51	0.42
	33.07%	25.02%	8.05%

After examining Printemps' ratios above in comparison to the PIA Profit Leaders, Printemps, obviously, has too much short-term debt. If accounts receivable are not being managed wisely, there will not be sufficient cash to promptly pay its short-term creditors.

Other current liabilities may include obligations under capitalized leases, payroll taxes due, employees' withholding taxes, sales tax collected, accrued expenses such as interest, business taxes, payroll and vacation payroll, income taxes payable and others.

One current liability that is often poorly handled by printing firms is the account "advance collections." The following example demonstrates how this account should be used.

A customer may ask for an advance billing and the printer records an Accounts Receivable and an Advance Billing account. If this situation still exists at the Balance Sheet date, the Advance Billing is reversed and neither the Accounts Receivable nor Advance Billing show on the Balance Sheet.

When the Advance Billing is paid, only the account "Advance Billing" is left, because the corresponding Receivable has been paid. In this case, it is necessary to reclassify the Advance Billing that has been paid as an Advance Collection.

Strange as it may sound, this Advance Billing situation occurs in many printing companies, especially firms with December 31 year-end closings. Proper accounting for Advance Collections is important.

DEFERRED INCOME TAXES

Deferred income taxes arise from timing differences resulting from income and expense items reported for financial accounting and tax purposes in different time periods. For the majority of printing firms the principal such item is the use of accelerated depreciation for tax purposes.

LONG-TERM DEBT

Long-term debt is a major source of funds to finance assets for the printer. It includes debt which will be paid off some time in the future, but not in the current period. Most of the printer's long-term debt is in the form of bank loans, mortgages or leases; some large printers may issue bonds.

	Printemps	Profit Leaders	Difference
Long-Term Liabilities	26.23%	19.90%	6.33%

The above ratios show that just as plant and equipment ratios are a prominent part of the balance sheet, so is long-term debt.

Again, Printemps' ratios show that it has too much debt. Perhaps Printemps' management has not pursued better financing methods. Has management considered issuing additional capital stock to obtain funds? Will Printemps be able to meet its financial obligations when due?

Printers do have to be very careful in proportioning their debt. A typical conversation between a banker and a printer with a high debt ratio may go as follows:

Banker:	"Don't come to us to finance Assets that should be funded from Shareholders' Equity. We are not shareholders and we are not going to cover your weak Equity position."
Printer:	"What is this? You did in the past, and I have been taking all my Profits out of the business."
Banker:	"Well, we are not doing it now and I doubt if we will ever get back to that. In fact, forget about future loans and get what you owe us paid up as soon as possible. We only want to lend our funds to companies with strong Equity positions.

Recommendations:

1. Hold your breath;
2. Maximize Profits;
3. Minimize Tax (LIFO/Accelerated Depreciation);
4. Maximize after Tax Retained Profits;
5. Build a strong Shareholders' Equity position.

EQUITY

The Equity of a company represents its ownership interest. Proprietor's Equity is the term used to denote ownership of an unincorporated business. Shareholders' Equity is used for a corporation because all corporations are required to issue common stock. The term Partner's Equity is used for a partnership. Because most printing firms are corporations, the term used in this discussion will be "Shareholders' Equity."

Shareholders' Equity may include the following accounts:

Common Stock
Preferred Stock
Additional Paid in Capital
Retained Earnings
Treasury Stock

CONTRIBUTED CAPITAL

The term "capital stock" is sometimes used to designate all of the issued stock of the corporation, both common and preferred. The capital stock value is computed by multiplying the par value (original face value) of each share by the number of shares issued. For example, if Printemps issued 2,500 shares of common stock and the par value is $10 a share, the total dollar value of common stock would be $25,000. (2,500 shares X $10 per share = $25,000.) Most printing firms issue common stock.

Stock does not necessarily have to be issued at par value. If shares are sold at a price larger than par, the additional funds received will be shown as "Additional Paid-In Capital" on the balance sheet.

Preferred stock is another type of security that a company may issue to generate funds. The issuance of preferred stock is optional and many companies issue no preferred stock.

RETAINED EARNINGS

Retained Earnings are the accumulated profits (and losses) of a company that have not been paid out to shareholders as dividends. The earnings are reinvested in the company in the form of assets (cash, marketable securities, inventories, property, plant or equipment, etc.). Printemps Retained Earnings information is as follows:

Retained Earnings, beginning of year	$441,400
Net income for 12 months ending	24,000
Dividends Paid	(2,000)
Retained Earnings, end of year	$463,400

DEBT/EQUITY STRUCTURE

Printemps' ratio of shareholders' equity to all debt and equity is 40.70%: It's total debt ratio is 59.30%. The profit leaders' ratios are reversed -- shareholders' equity percent is higher than the debt ratio.

	Printemps	Profit Leaders
Total Liabilities	59.30%	44.92%
Shareholders' Equity	40.70	55.08

It's difficult to pinpoint the perfect debt/equity structure of a printing company because of many factors -- the form of operations, the company's financial goals, the company's cost of capital, interest rates.

However, by examining the printing industry trends below, profit leaders consistently have a larger percentage of equity than debt.

TOTAL EQUITY AS A % OF DEBT AND EQUITY

	PIA Ratio Studies*				
	1983	1982	1981	1980	1979
All Firms	41.55%	42.18%	44.23%	43.63%	43.69%
Profit Leaders	57.89	54.88	54.08	55.50	55.44

* These ratios are from all firms reporting.

BALANCE SHEET

	PRINTEMPS		PIA HIGH PROFIT STANDARDS ($1,500,000-$5,000,000)	
	DOLLARS	% OF TOTAL ASSETS	% OF TOTAL ASSETS	DIFFERENCE MORE (LESS)
ASSETS				
CURRENT ASSETS				
Cash	$ 79,400	6.62%	12.01%	(5.39)%
Receivables	390,100	32.51	28.29	4.22
Inventories	153,500	12.79	10.97	1.82
Other current assets	53,200	4.43	6.95	(2.52)
TOTAL CURRENT ASSETS	676,200	56.35	58.22	(1.87)
PROPERTY, PLANT AND EQUIPMENT				
Real estate	119,400	9.95	8.34	1.61
Less: Accumulated depreciation	38,900	3.24	2.33	0.91
	80,500	6.71	6.01	0.70
Machinery and equipment	786,200	65.52	59.83	5.69
Less: Accumulated depreciation	435,100	36.26	31.66	4.60
	351,100	29.26	28.17	1.09
Other fixed assets	92,200	7.68	6.97	0.71
Less: Accumulated depreciation	46,700	3.89	2.91	0.98
	45,500	3.79	4.06	(0.27)
NET PROPERTY, PLANT AND EQUIPMENT	477,100	39.76	38.24	1.52
OTHER ASSETS	46,700	3.89	3.54	0.35
TOTAL ASSETS	$1,200,000	100.00%	100.00%	-
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	$ 111,500	9.29%	5.77%	3.52%
Accounts payable	166,200	13.85	9.74	4.11
Other current liabilities	119,100	9.93	9.51	0.42
TOTAL CURRENT LIABILITIES	396,800	33.07	25.02	8.05
LONG-TERM LIABILITIES	314,800	26.23	19.90	6.33
TOTAL LIABILITIES	711,600	59.30	44.92	14.38
SHAREHOLDERS' AND PROPRIETORS' EQUITY	488,400	40.70	55.08	(14.38)
TOTAL LIABILITIES AND EQUITY	$1,200,000	100.00%	100.00%	-

INTERRELATED RATIOS OF THE BALANCE SHEET

We will now examine ratios that interrelate between both sides of the balance sheet and, when evaluated with other ratios, offer significant help to the printing manager. Some ratios will include factors from both the operating statement and the balance sheet. Instead of relying on isolated ratios, a basket of ratios viewed together will provide better information about the financial health of a company.

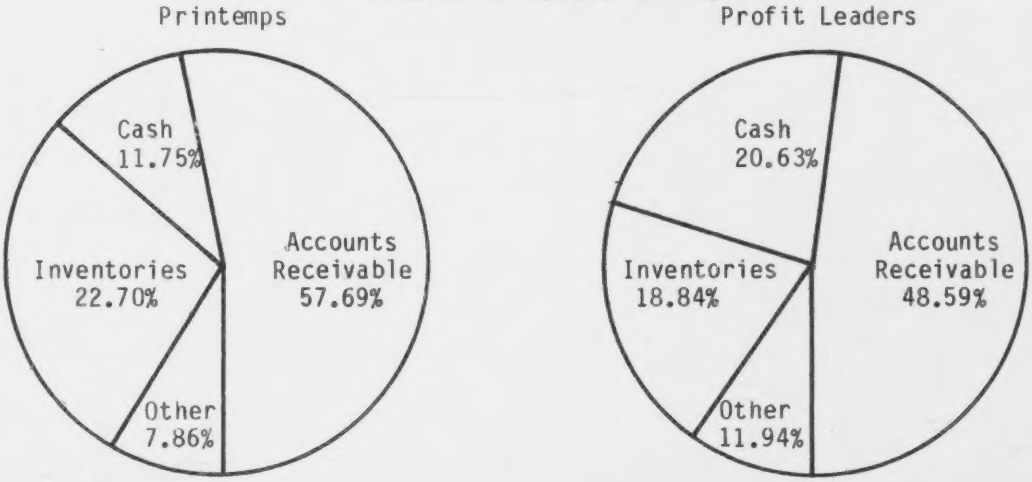
Four types of ratios will be used in further analysis of Printemps financial position.

Type of Ratio	What It Does
1. Liquidity	Measures Printemps' capacity to meet short-term obligations.
2. Activity	Measures Printemps' effectiveness in using its assets.
3. Leverage	Measures Printemps' ability to meet short-term and long-term debt.
4. Profitability	Indicates Printemps' return on assets.

LIQUIDITY RATIOS OF WORKING CAPITAL

Working capital is composed of current assets as analyzed below. In financial analysis close attention is always paid to working capital. Adequate working capital is necessary for a company to meet current debts, carry sufficient inventories and take advantage of cash discounts.

WORKING CAPITAL
PERCENT OF CURRENT ASSETS



Although the above chart ignores the absolute amounts involved, which are significant, it appears that Profit Leaders have proportionately more cash and less receivables and inventory.

The difference between current assets and current liabilities is called net working capital. Printemps net working capital in absolute dollars is $279,400.

Current Assets	$676,200
Current Liabilities	396,800
Difference - Net Working Capital	$279,400

- Is $279,400 enough working capital for Printemps to operate smoothly?
- Is Printemps liquid enough or does the company have excess liquidity?
- Does Printemps have too little cash?

The following two ratios offer insight into the liquidity question.

CURRENT RATIO - The current ratio is a key part of determining the adequacy of working capital. It measures the company's ability to meet short-term obligations and is computed by dividing current assets by current liabilities.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Printemps	Profit Leaders
1.70	2.33

Printemps' ratio of 1.70 means that for every dollar of current liabilities, there is $1.70 in current assets. Profit leaders historically have had current ratios above 2. Generally, a ratio of 2.00 and above is assumed to be satisfactory. In the past many firms functioned well with a lower ratio. Today companies should have at least 2.00 because they are forced into longer conversion periods for inventories and longer collection periods for accounts receivable. Recently, the Profit Leaders' current ratio has been increasing.

Printemps' current ratio of 1.70 may indicate a cash shortage. There seems to be inadequate coverage for its short-term debtors, and Printemps' should improve its current position. On the other hand, a very high current ratio may indicate that the printer is not wisely using his funds. The assets may well be used more effectively elsewhere -- perhaps to expand operations by acquiring additional machinery and equipment.

Some say that doing business with other people's money, called "trading on equity" is good business. This is rarely true. If the current ratio is diminished by too much debt, the assets needed in the form of inventory, cash, etc., will not be available when needed. Also, if you are working with an excessive amount of other people's money, a demand for repayment in cash can prevent you from investing current assets profitably in your business. It can prevent you from buying and discounting, and can affect your credit from financial institutions which, in turn, can deny you the purchase of fixed assets. Using a maximum of other people's money may look good on paper, but by doing so, you may never get to where you want to go.

QUICK RATIO - A better liquidity ratio is the quick ratio, also called the acid test ratio. The only difference from the current ratio is the elimination of inventories from the numerator. Because inventories are the least liquid of the current assets, they are excluded. The formula for the quick ratio is:

$$\text{Quick Ratio} = \frac{\text{Current Assets Minus Inventory}}{\text{Current Liabilities}}$$

Printemps	Profit Leaders
1.32	1.89

Printemps again shows the same weak position reflected by the current ratio. (One should note that a declining quick ratio may be normal for a company purchasing additional machinery and equipment with cash.)

ACTIVITY RATIOS

As stated earlier, activity ratios indicate the effectiveness with which assets are used. Activity ratios discussed previously were the inventory turnover and the collection period of receivables.

LEVERAGE RATIOS

Leverage ratios reflect the company's total debt burden -- short and long term. The printing manager wants these ratios to compare favorably to industry ratios, particularly if his company is expanding and needs debt financing. Concern should be given to these ratios, also, because of the interest expense to the company. Leverage ratios also measure the relationship between shareholders' funds and borrowed funds.

Two debt to equity ratios printers should consider are analyzed below:

	Printemps	Profit Leaders (Printemps Sales Size)
1. $\frac{\text{Total Liabilities}}{\text{Equity}}$ =	1.46%	0.82%
2. $\frac{\text{Long-Term Liabilities}}{\text{Equity}}$ =	0.64%	0.36%

The first debt to equity ratio means that for every dollar ($1.00) in shareholders' equity, Printemps has $1.46 in liabilities. For every dollar, Profit Leaders only have $0.82 in liabilities.

It's hard to say what the perfect combination should be. Borrowed funds are riskier than ownership funds because of the payment of interest and the requirement for repayment. Dividends to shareholders are usually up to the discretion of the corporate directors and the invested capital does not have to be repaid.

The second leverage ratio measures the proportion of long-term debt to equity. Again, no one can say what the acceptable ratio is for a particular company. The printing industry ratio for all firms by sales size is 0.65 and for all profit leaders is 0.32. The ratio has been steadily rising for all firms, and has been slowly decreasing for the profit leaders. This trend seems to indicate that the profit leaders are becoming more financially secure and that printing managers should maximize shareholders' equity as a source of funds.

PROFITABILITY RATIOS

The majority of profitability ratios lie within the income statement. However, one major profitability ratio measures the effectiveness with which the company's investment (found in the balance sheet) has been utilized in order to produce that profit. This ratio is called the Return On Investment and is discussed in a later section.

MEANING OF SIGNIFICANT FACTS

Significant Facts in these ratios are often particularly important statistics and ratios to printers. They are as meaningful as the financial statements, and often are the lowest common denominators which can be easily managed to produce higher profits.

INVESTMENT

The objective in this section is to present assets used per employee. From the information found in the significant facts section, you will note that High Profit companies generally invest more assets per employee. As sales volume increases, assets invested per employee also increase. Significant Facts related to investment are defined and explained below.

Assets per Employee -- All Employees = $\frac{\text{Assets (Net)}}{\text{Number of All Employees}}$ = This ratio includes all assets -- current, fixed (net of depreciation), and others. It indicates the adequacy of the funds you employ.

Assets per Factory Employee = $\frac{\text{Assets (Net)}}{\text{Number of Factory Employees}}$ = This ratio is similar to the one above, but shows assets per factory employee.

Average Net Worth per Employee = $\frac{\text{Shareholders' Equity}}{\text{Number of All Employees}}$ = This figure tells what part of the first ratio (assets per employee) is funded by shareholders' investment.

Average Gross Plant Investment per Factory Employee = $\frac{\text{Plant Machinery and Equipment (Gross)}}{\text{Number of Factory Employees}}$ = This is a "key fact." It is obvious that the trend is toward more equipment per factory employee.

Net Worth Percentage of Fixed Assets = $\frac{\text{Shareholders' Equity}}{\text{Fixed Assets (Net)}}$ = This ratio indicates the relationship between funding fixed assets and shareholders' equity. Fixed assets should never be funded with current debt, but should be funded with long-term debt and shareholders' equity. This equity should also fund about 50 percent of all assets -- an indication of funding strength.

SALES

The category of sales provides information on sales per employee. These statistics are determined twice -- once including executives and then excluding them. Here, we will address statistics excluding executives. The following sales proportions are particularly noteworthy:

Sales per Employee	=	$\frac{\text{Sales}}{\text{Number of All Employees}}$	=	This is an invaluable number. The only better ones are the two ratios below.
Sales per Factory Employee	=	$\frac{\text{Sales}}{\text{Number of Factory Employees}}$	=	This is a refined number of sales produced per factory employee.
Sales Less Materials per Factory Employee	=	$\frac{\text{Sales Less Materials}}{\text{Number of Factory Employees}}$	=	This ratio is the Value Added produced per factory employee -- one of the most important ratios in the Ratio Study. You must know this number and plan to improve it; the end result will be improved profit.

EMPLOYEE DISTRIBUTION

This category of Significant Facts presents the percentage distribution of employees by departments. For example, for all firms reporting in the PIA Ratio Study, the distribution is as follows:

Factory	75.00%
Administrative	13.79
Sales	11.21
	100.00

The most important fact here is the percentage of factory employees. Although there may be a firm with too many factory employees and not enough administrative and selling employees, this would be a rare exception. You need factory employees to produce your product; their productivity gives you your revenues.

Often, a very simple observation serves as an indicator of productivity; i.e. are there enough factory employees to produce the product required to support the overhead and provide a profit. This seems elementary, in many cases, it's a revelation. Note that the percentage of factory employees is about 75 percent for very small firms, and rises to 84 percent of all employees for very large firms. There is a specific characteristic for each sales class -- a very simple, but valid relationship.

SALES PER SALESMAN

This ratio is computed as follows:

$$\frac{\text{Sales Produced by Sales People}}{\text{Number of Sales People}}$$

To use this fact properly, you must be very specific in taking into account your sales volume as well as your product and process specialties. In analyzing the significant facts section of the book All Printers By Sales Volume, note that sales per salesman in a small firm are about $188,455 and that the figure rises to $1,625,260 for firms with sales over $10 million. This rise occurs throughout sales classes, and you must zero in on your sales class and relate your figures to the product and process specialties in the other PIA books in this series. Data for publications printing will be much different from that for commerical printing, and data from web-offset will be different from sheet-offset data.

PAYROLL

Payroll statistics are computed first by including fringe benefits and executive compensation, and then again by excluding these factors. Thus, there is a separate section within this category for executive payroll.

The first item in this category is total payroll as a percentage of sales. This includes factory, administrative and sales payroll, and is computed as follows:

$$\frac{\text{All Payroll Costs}}{\text{Sales}}$$

This ratio is affected by the size of a firm. Payroll as a percentage of sales in small firms starts at about 43 percent and decreases to about 35 percent for very large firms. The change is gradual, but significant.

The next ratio is factory payroll as a percentage of gross plant investment. It is computed as:

$$\frac{\text{Factory Payroll}}{\text{Machinery and Equipment (Gross)}}$$

In general, this ratio equals about $1.00 per year in payroll costs per dollar of gross plant investment. This is a very qualitative statistic and the absolute number requires further evaluation. Of course, more than a 100 percent ratio would be better if the company were fully equipped. In this case, there would be a maximum utilization of equipment. However, it is still possible to have over a 100 percent ratio as the result of inadequate plant facilities. In other words, the number doesn't tell the full story.

Payroll per employee. This category provides an absolute amount of payroll per employee and, more specifically, per factory, administrative, and sales employee. These numbers are presented for "All Firms" and "Profit Leaders" in each sales class.

Note that, in some cases, Profit Leaders pay less per employee. One must put aside the notion that higher profit has to do with lower payroll costs. We have already established that Profit Leaders have a lower relative payroll cost, but that this is related to a higher capital investment per employee and a greater Value Added per factory employee.

A separate subheading in this category addresses payroll per executive for all employees, and then again, payroll broken down more specifically per factory, administrative, and sales executive.

PROFIT

Gross profit. Profit before taxes is generally determined before gross profit percentage is calculated. A printing company with a gross profit below 25 percent will rarely achieve a satisfactory net profit.

Gross profit percentage is computed as follows: first, determine your gross profit -- sales less the cost of goods manufactured. Then relate gross profit to sales.

$$\frac{\text{Gross Profit}}{\text{Sales}} = \text{Gross Profit as a Percentage of Sales}$$

	All Firms	
	All Firms	Profit Leaders
Gross Profit as a Percentage of Sales	22.91%	28.30%

Smaller firms require a higher gross profit percentage. In firms with up to about $5,000,000 in sales, the High Profit Standard is approximately 30 percent of gross profit. At that point, the gross profit required becomes less because of relatively lower administrative and selling expenses.

Too many printers are searching for a mystical formula to produce high profits. That formula need not be mystical because there really is a way to produce a higher gross profit. The difference in gross profits between "All Firms" and "Profit Leaders" approximates the difference in profit before taxes. Therefore, a source of higher profits is increasing gross profits. This directs us to:

- Pricing
- Material costing and control
- Increased Value Added per factory employee
- Expense control.

The average gross profit per factory employee is an excellent lowest common denominator with which to gauge your profit performance. It is computed as follows:

$$\frac{\text{Total Gross Profit}}{\text{Number of Factory Employees}} = \text{Average Gross Profit Per Factory Employee}$$

	All Firms	
	All Firms	Profit Leaders
Average Gross Profit per Factory Employee	$21,725	$29,780

Another interesting statistic is your average net profit before taxes per employee. For all firms, this figure is $2,452 as compared to $9,177 for profit leaders.

Income before taxes as a percentage of sales for all printing firms in the Ratio Study was 3.15 percent, compared with 12.08 percent for the profit leaders. The percentage for all firms is much too low; it returns a dismal 6.34 percent on investment. High profit firms realize 16.16 percent return on investment.

Return on Investment (ROI) refers to the capital used to produce income. Mathematically, it is:

$$\frac{\text{Income}}{\text{Assets}} = \text{Return on Investment (ROI)}$$

ROI - 1983 Ratios: All Firms - 6.34%; Profit Leaders - 16.16%

Return on Investment (ROI) is the most comprehensive measure of profitability. The only difference of opinion in this area is whether net assets or gross assets should be used to compute ROI.

ROI is a very simple computation, analogous to figuring simple interest, or, in introducing a time element involving alternate decisions and capital expenditures, or compound interest.

The ROI concept is gaining more and more acceptance as a measure of profitability in printing companies. This is due to the fact that printing is a capital intense industry and printing firms generally have high fixed assets against which their profit performance is measured.

The importance of ROI is evident from its history in the printing industry. Since ROI was introduced in the 1967 PIA Ratio Books, the Individual Computer Printout has been expanded to include ROI, an entire annual PIA financial meeting has been devoted to the concept, and PIA conducted a special historical case study on ROI. This study revealed a decline in investment turnover and showed the effect of this on the ROI rate when there is not a corresponding increase in profit as a percentage of sales.

PIA has remained a strong advocate of the ROI concept and consistently urges its adoption through continuing education.

DEFINING RETURN ON INVESTMENT

As stated above, ROI can be expressed simply as:

$$\frac{\text{Income}}{\text{Assets}} = \text{Return on Investment}$$

This ratio produces, as a percentage, an annual rate of return on assets used to produce income. It is the same as an annual interest rate that one would receive on a bond or other type of investment.

The simple ROI formula is a reduction of the following ratios:

$$\frac{\text{Income}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Assets}} = \text{ROI}$$

The first fraction is income as a percentage of sales. It is a hard number; therefore, if you want to improve your ROI, it is this percentage to which you must pay particular attention. We will discuss this further under the heading "Return-on-Investment Dilemma."

The second fraction is called "investment turnover" or "asset turnover." The term "investment" in this context refers to assets used to produce more earnings.

The "sales" in the denominator of the term "income as a percentage of sales" and the "sales" in the numerator of the term "investment turnover" can be cancelled. We have already done this in order to obtain the simple expression "Income over Assets." However, it is still best to think of these two fractions as dynamic elements in ROI management.

Here is an example of the ROI computation:

Sales	$1,000,000
Profit Before Taxes	120,000
Assets	500,000

$$\frac{\$\ 120{,}000\ \text{Income}}{\$1{,}000{,}000\ \text{Sales}} \times \frac{\$1{,}000{,}000\ \text{Sales}}{\$\ 500{,}000\ \text{Assets}} = \text{ROI}$$

$$12\% \times 2 = 24\%\ \text{ROI}$$

In the PIA Ratios, income is...

...income before interest expense, other income and taxes.

Assets are...

...gross assets employed before deduction of accumulated depreciation and amortization.

As these are not necessarily commonly used definitions, we will discuss other concepts as well.

ALTERNATE CONCEPTS

Net Profit Before Taxes. Our terminology refers to income as income before interest, other income and taxes. Most published studies base Return on Investment on after-tax profit. The reasoning is that taxes are expenses, just like any other expenses.

However, for our purposes, computing Return on Investment before taxes provides a standard which everyone can easily use. The amount of tax is different for almost everyone since:

- The normal tax rate is different at different income levels.
- Investment credits, new-job tax credits and other credits can produce substantially different net taxes.
- This year's tax may be reduced by a net operating loss carryforward.
- Most taxpayers use accelerated depreciation methods for tax purposes, and straight-line for financial purposes.

The tax on profits may vary widely from situation to situation. Thus, if Return on Investment is to be of practical use, computing it on profit before taxes is the more valid standard.

Interest Expense, Non-Operating Income and Expense. By using profit before interest expense, we are able to compare the Return on Investment before an interest charge vs the cost of capital, which is an interest charge.

For example, if your return on investment is 25 percent and your cost of interest is 17 percent, it pays to borrow funds which will produce a greater return. By the same token, it would not pay to borrow funds at an interest rate greater than your ROI. You can see that, if interest were deducted from profit, it would not be valid to compare your return on investment with the cost of capital to determine whether a ROI decision is valid.

Non-operating income and expenses normally are excluded from our calculations. It is important that you remove non-operating assets from your investment figure as well.

DEPRECIATION

Since accumulated depreciation is not deducted from fixed assets in arriving at total investment or assets, there are some proponents of the theory that depreciation not be deducted from income for ROI purposes. This concept is not too strongly advocated.

Some printers, for financial reaons, compute depreciation by accelerated depreciation methods. This produces higher depreciation in the early years of an asset's life than does the straight-line method. Where accelerated depreciation is used, the excess depreciation should be added back to profit in order to compute your ROI.

VALUATION OF ASSETS

We can consider four different asset-valuation bases:

- Gross Assets at Book Value - Assets are at their original cost without deduction for accumulated depreciation.

- Net Book Value - Assets are valued at original cost less accumulated amortization and depreciation.

- Replacement Value - This is the same as Gross Assets, but adjusted for the increase in their replacement cost.

- Market or Actual Cash Value - Similar to Net Book Value, but asset costs have been changed to reflect replacement cost less the proportional accumulated depreciation.

All of these variations present ways of valuing fixed assets. Each approach has considerable merit. The Replacement Value and the Replacement Value less Accumulated Depreciation are approaches you may want to use on your own as they can be very meaningful depending on your circumstances and objectives. In these PIA Ratio Studies, however, we are limited to determining ROI by Gross Assets at cost and Net Book Value.

RETURN ON INVESTMENT DILEMMA

Since ROI is computed by multiplying "income as a percentage of sales" by the "investment turnover," it would appear that we could increase our ROI by one or the other factor, or both. This is true, but first a little background is necessary. We will limit our statistics to the Profit Leaders.

The investment turnover for Profit Leaders in this year's Ratio Study is 131.84 percent. This means that these firms achieved $1.32 in sales for each $1.00 of assets employed. Let's look at the historical record of investment turnover.

This year	131.84%
1982	141.56
1981	142.49
1980	141.42
1979	138.31

Until this year, the investment turnover has remained fairly steady. This has been true for all participants. At the same time, however, a specific printing company that acquires substantial new equipment is likely to show a decline in investment turnover. This is caused by the capital intensity of printing equipment. Therefore, to maintain a fair return on investment, profit as a percentage of sales has to be increased. This can best be explained with an example:

	Old	New
Equipment.............................	$ 50,000	$200,000
Investment Turnover..................	200%	140%
Desired Return on Investment.........	20%	20%

Return on Investment = Investment Turnover x Profit as % of Sales.

ROI					Profit Needed
ROI	=	$\frac{\text{Sales}}{\text{Assets}}$	x	$\frac{\text{Income}}{\text{Sales}}$	
Old 20%	=	$\frac{\$100,000}{\$\ 50,000}$	x	$\frac{\$\ 10,000}{\$100,000}$	10%
New 20%	=	$\frac{\$280,000}{\$200,000}$	x	$\frac{\$\ 40,000}{\$280,000}$	14.3%

To maintain the desired 20 percent Return on Investment, one would need a profit of 14.3 percent profit on sales with the new equipment, as opposed to a 10 percent profit on sales with the old equipment.

There are two traps to avoid in the area of Return on Investment:

1. When you increase the assets you employ, you must also increase your profit as a percentage of sales to maintain a fair return on investment. If you don't, you risk having a diminished Return on Investment.

2. Your new selling price with a higher profit mark-up may still be lower than your price using the old equipment. The new equipment should produce a lower unit selling price despite the higher cost rates and higher required margin. If this were not true, there would be no economic justification for replacing old (less capital intense) with new (more capital intense) equipment.

In conclusion, concentrate on profit as a percentage of sales. Moreover, don't let this profit percentage be trite. Let it vary with the intensity of assets employed. And remember, make every effort to maximize investment turnover.

NET ASSETS VS GROSS ASSETS

In comparing Return on Investment computed on Gross vs Net Assets, we find that each produces substantially different results. For a number of years, the PIA Ratio Study has been computing ROI based on Gross Assets. This is the so-called DuPont method, which has the advantage of alerting management to a decreasing Return on Investment and the need for equipment replacement.

Under the Net Asset method, a higher Return on Investment may justify continued investment in existing equipment mainly because of lower book value. The Gross Asset basis has its purpose, but is not as accurate as the Net Book Value.

The Return on Investment based on Net Assets is computed as follows:

$$\frac{\text{Income Before Taxes, Interest, and Other Income or Expense}}{\text{Assets Less Accumulated Depreciation}}$$

For "All Firms," this is 14.62 percent; for "Profit Leaders," 33.01 percent.

This method may produce a more valid operational Return on Investment, and a more accurate interest computation.

WHAT IS A FAIR ROI?

The "All Firms" ROI of 6.34 percent on gross assets and 14.62 percent on net assets is hardly adequate to justify investment. The "Profit Leaders" ROI is 16.16 percent on gross assets and 33.01% on net assets. The high-profit companies appear to achieve an ROI more commensurate with the economic risk.

The printing industry presents substantial risk and, therefore, the return related to that risk should be substantially higher than prevailing interest rates. Thus, your ROI should exceed 20 percent on a new-asset venture, or 30 percent on net assets.

YOUR ULTIMATE GOAL: THINKING ROI

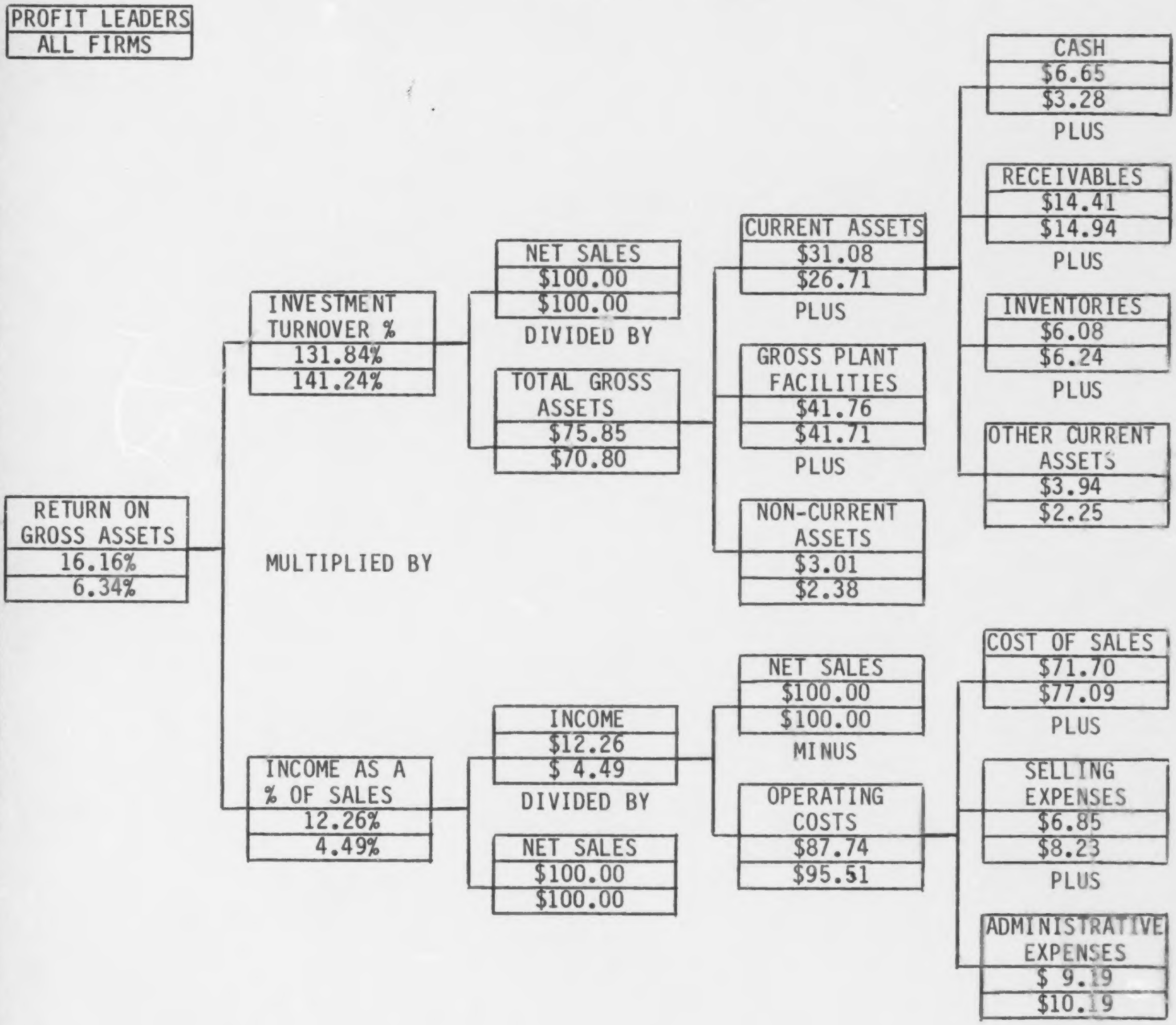
Thinking ROI is like working backwards. Thus, a competent printing manager might plan along these lines:

1.	Capital to be employed	$400,000
2.	Desired ROI: 20 percent of capital employed	80,000
3.	Sales to be achieved from new assets employed: 140 percent	560,000
4.	Required profit as a percentage of sales: $\frac{\$\,80,000}{\$560,000}$ =	14.3%

This example shows that you must strive for a 14.3 percent profit on sales to produce a 20 percent ROI on the capital you employ. Think ROI -- and profit.

RETURN ON INVESTMENT (ROI) CHART - ALL PRINTERS

RETURN ON INVESTMENT CHART - BASE: $100 OF SALES


PROFIT LEADERS
ALL FIRMS
RETURN ON GROSS ASSETS
16.16%
6.34%
MULTIPLIED BY
INVESTMENT TURNOVER %
131.84%
141.24%
NET SALES
$100.00
$100.00
DIVIDED BY
TOTAL GROSS ASSETS
$75.85
$70.80
CURRENT ASSETS
$31.08
$26.71
PLUS
GROSS PLANT FACILITIES
$41.76
$41.71
PLUS
NON-CURRENT ASSETS
$3.01
$2.38
CASH
$6.65
$3.28
PLUS
RECEIVABLES
$14.41
$14.94
PLUS
INVENTORIES
$6.08
$6.24
PLUS
OTHER CURRENT ASSETS
$3.94
$2.25
INCOME AS A % OF SALES
12.26%
4.49%
INCOME
$12.26
$ 4.49
DIVIDED BY
NET SALES
$100.00
$100.00
NET SALES
$100.00
$100.00
MINUS
OPERATING COSTS
$87.74
$95.51
COST OF SALES
$71.70
$77.09
PLUS
SELLING EXPENSES
$6.85
$8.23
PLUS
ADMINISTRATIVE EXPENSES
$ 9.19
$10.19

SECTION 3 - MEANINGFUL TOPICS RELATIVE TO THE GRAPHICS ARTS INDUSTRY

THE INVENTORY DECISION -- LIFO VS. FIFO

Printers struggle to beat the battle of red ink and produce a profit. Over the past several years, however, inflation has seriously sliced away profits in most graphic arts firms. In addition, a hidden pirate has been gnawing away at after tax income: namely, the higher replacement costs of materials and supplies.

A printer claims a 12 percent profit on a $1,000 sale if expenses -- including materials, supplies, factory payroll and overhead as well as administrative and selling expenses and interest -- total $880. But is this printer really left with a 12 percent or $120 profit? In manufacturing his product, he used a large dollar volume of materials and supplies, and now he must replace them. However, the purchase price has risen. Where does the additional money come from? The obvious answer is that the inflated replacement cost must be pilfered from the $120 profit.

During healthy economic times, slightly higher replacement costs have little effect on profits. However, today's leap-frogging prices are rising so fast that their bite into profits is significantly large.

What can you do? Certainly, you cannot control material and supply price increases. But you can fight back!

Proper inventory accounting methods for materials and supplies can save printers substantial tax dollars. These lowered taxes translate into money in the pocket with which you can stave off high replacement costs. And the more material and supply prices increase, the more tax dollars you save.

The two most common inventory methods in use today are FIFO (First-In, First-Out) and LIFO (Last-In, First-Out). Both methods are accounting tools to describe the flow of materials and supplies. They do not, though, have an effect on the actual placement of materials and supplies into manufacturing.

The majority of printers operate under FIFO inventory, which provides them with higher end of the year after tax profits on the books than does LIFO. Unfortunately, this is "fool's profit". LIFO, on the other hand, shows lower profits on the books, and consequently, results in lower taxes.

The FIFO system theorizes that a printer uses materials and supplies that were purchased a long time back -- when prices were lower. Recently purchased goods (bought with higher prices) are said to be the last to go into production and, therefore, are inventoried at a higher price. Since material and supply costs are deducted from sales (along with other costs of operating a business) in order to determine pretax profits, these low expenses will bounce your profits to a false higher level.

At first glance, the high profits may appear appealing. But remember, your corporate taxes are calculated on profits. In effect, what you're doing is reporting too high a profit to the IRS much in the same way as if you had understated your selling and administrative expenses.

Valuing inventory with the LIFO method means that, in theory, a printer places his most recently purchased materials and supplies into production first. Again, during inflationary times, the most recent purchases represent higher dollar figures than do earlier purchases.

These high valued cost factors result in a more realistic, lower profit. In turn, less taxes are levied and the printer is left with more money available to help offset his rising prices.

Remember, as a practical matter, FIFO and LIFO only represent the hypothetical flow of goods through your plant and, in reality, there is no difference in real pretax profits in the two inventory pricing methods. While reported profits are likely to vary significantly, your true profits (before taxes) are the same. In both methods, the exact same amount of pretax cash (income and expenses) flows in and out. The only difference is the total taxes levied. FIFO followers will pay more tax dollars than their LIFO counterparts.

Furthermore, as prices climb, the difference between FIFO and LIFO users' tax payments increases correspondingly. LIFO users will be left with the increased value of work in process (materials and supplies) untaxed. This untaxed increased value is usually sufficient to pay for inventory replacement. The FIFO taxpayer does not have this advantage.

The example shown on page 68 demonstrates exactly how significant the tax savings can be for a printing firm opting for LIFO over FIFO. In both cases, all reported income and expenses are exactly the same -- with the notable exceptions of materials and federal income taxes.

Using FIFO, the printing firm with $1 million in sales values its inventory on a first-bought, first-used basis. This means that the company is reporting that the materials it places into production were purchased back when prices were lower than they are today. The $350,000 figure entered for materials will not buy the same volume of materials in the current market.

Converting to LIFO inventory, the same company saves $9,200. The printing firm reports that the materials required to produce its $1 million in sales were valued at the current (most recently purchased) market price and not necessarily at the actual price paid for them. The LIFO method shows that $370,000 worth of materials were used, some $20,000 over what the same company reported under FIFO.

The $20,000 in materials drops income before taxes down by, naturally, $20,000. In effect, the figure shows that the LIFO system leads to lower ($9,200, in this example) taxes.

Assuming that the printer is going to replace all of his used materials, his actual costs will come much closer to the $370,000 figure shown in the LIFO approach than to the $350,000 in the FIFO entry. Under FIFO, the company will have to pluck $20,000 from its after tax profits and add it to its reported $350,000 materials used in order to replace the goods; this decreases the $84,000 to around $64,000, or $9,200 less than the $73,200 produced by the LIFO method.

This $9,200 is not merely an "on paper" savings. Rather it is a cash in the bank savings achieved by lower tax payments. If material costs (most recently purchased) had increased more than the $20,000 our example indicated, it's not hard to see how an even greater tax savings would have occurred. Graphic arts firms are foolish to continue to report high profits realized under the FIFO method and should take immediate steps to convert to the accurate pretax profits enjoyed by LIFO users.

Because LIFO generally represents a change in inventory planning for graphic arts executives, questions about the method naturally arise. The following exchange is a sampling of some of the most commonly asked questions.

Q. How does a printing firm switch from FIFO to LIFO?

A. All you have to do is file Form 970 with Internal Revenue Service explaining exactly what your inventory method entails. You don't have to receive permission; you just sit back and collect the tax benefits.

Q. Wouldn't you be less likely to receive a bank loan using LIFO instead of FIFO? After all, your profits are lower!

A. Bankers are aware of the difference FIFO and LIFO make in profits. They can easily adjust, either up or down, the reported profit figures from both methods.

Q. How far back can you go when valuing inventory under LIFO? 2 years? 10 years? 50 years?

A. In the year that your conversion takes place, you use the previous year's ending inventory as your beginning. Any increases in inventory would come in beginning of the year purchases. Then, at the end of the next year you go back to that base, which is now two years old, as your starting point. If both you and your business last another 50 years, in 2033 you start your inventory with the tier that came in January 1, 1983.

Q. Do we have to keep our inventory records at these LIFO values? What good is my paper inventory and work-in-process prices at the 1975 level?

A. If you keep your cost sheet at current hourly rates and your perpetual paper inventory at current prices, you can turn your FIFO inventory over to your accountant for conversion to LIFO using the index factors.

Q. If you're going to sell your business, wouldn't you lose money by not using the FIFO system? Under LIFO, your profit is lower and the inventory on the balance sheet is lower.

A. First of all, you should operate your business as efficiently as possible -- not merely to report "fool's profits." But, if you do want to sell, you explain to your buyer how your inventory method works. Then, you sell your inventory at the currrent replacement cost and not at your LIFO value.

Q. Can I price all inventories by the LIFO method including work-in-process, paper, other chargeable materials (ink, film, plates and others), and non-chargeable supplies?

A. Yes. You are talking about big dollars and in a growing firm this amount keeps increasing. The LIFO inventory reserve gets bigger and the tax saving accumulation becomes more substantial.

FIFO VS. LIFO: COMPARISON OF PROFIT AND TAXES

	FIFO METHOD	LIFO METHOD
SALES	$1,000,000	$1,000,000
FACTORY COST OF PRODUCT		
MATERIAL*	350,000	370,000
FACTORY PAYROLL	260,000	260,000
FACTORY EXPENSES	106,000	106,000
	716,000	736,000
GROSS PROFIT	284,000	264,000
ADMINISTRATIVE AND SELLING EXPENSES	160,000	160,000
	124,000	104,000
INTEREST	10,000	10,000
	114,000	94,000
OTHER INCOME	6,000	6,000
INCOME BEFORE TAXES	120,000	100,000
FEDERAL INCOME TAXES	36,000	26,800
AFTER TAX PROFIT	$ 84,000	$ 73,200

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* COST OF MATERIAL USED		
INVENTORY - JANUARY 1	$ 150,000	$ 150,000
PURCHASES	360,000	360,000
	510,000	510,000
	(320,000 lbs. @ $.50)	(320,000 lbs. @ $.4375)
INVENTORY - DECEMBER 31	160,000	140,000
COST OF MATERIAL USED	$ 350,000	$ 370,000

Using the FIFO method, this printing firm valued its cost of paper at the most recent purchase price, $.50 per pound. Under LIFO, the same firm valued its paper at the earliest purchase price, $.4375 per pound. The FIFO system generates a "fool's profit" of $10,800 over the LIFO technique, while the LIFO inventorying method saves $9,200 in taxes.

EFFECT OF GROWTH ON THE BALANCE SHEET

The balance sheet shows the financial structure in which a printing company is contained. Thus, there is a limit to the growth it will sustain. Assume the purchase of a $500,000 press. As a result:

- Cash will be reduced by a down payment of, say, $75,000.
- Fixed assets will increase by $500,000.
- Current liabilities will increase to the extent of the related note payable that matures in the next 12 months.
- Long-term liabilities will increase by the amount of the remainder of the note payable for the purchase of the equipment.
- If we assume a 140 percent relationship of sales to fixed asset investment, we can anticipate an increase of $700,000 in sales.
- These new sales will require about $50,000 in inventory, which includes raw materials and work in process.
- As there will be a 60-day collection period, you will have approximately $117,000 in accounts receivable.

Looking at a pro forma balance sheet the changes are:

Cash	-	$ 75,000
Accounts Receivable	+	117,000
Inventory	+	50,000
Machinery	+	500,000
Current Note Payable	+	95,000
Long-Term Note Payable	+	330,000

Any changes to produce growth, must be related to your balance sheet. A great deal of forethought must be given to determine whether the balance sheet can house that growth adequately. To think about it after the fact is too late.

THE VALUE OF TAX PLANNING

Tax planning. What is it? What purpose does it serve? How is it done? And, who should do it? These are all questions that business people should be able to answer comfortably. Surprisingly, however, while most business people do, indeed, know the answers, very few of them make any real conscious effort to put tax planning into their decision making process.

Tax planning is the evaluation of the tax effect of a transaction. As such, it is a highly important aspect of deciding whether or not a transaction should be accomplished. The following example illustrates what can happen when tax planning fails to enter into the decision making process.

> A company's management decided to trade in an automobile that it had purchased 2 years 11 months ago for $15,000. When the company's independent accountant conducted the monthly review of the company's books, he asked the controller why they traded the car when they did. The controller replied, "The President wanted a new car" and then asked the accountant why he wanted to know. The accountant explained that by not waiting an additional month, the company will have to pay an additional $750 in federal income taxes because of an investment tax credit recapture on the auto that was traded in.

The question, of course, is "Why did this happen?". Obviously the company did not take the tax effect of the transaction into consideration when purchasing the new car. It did not use proper tax planning. If the company's management had either understood the tax effect of their decision or called their accountant to explain it to them, chances are they would have made a wiser decision. Delaying the transaction for one month was all that was needed to save the $750 in taxes.

While the foregoing may be a simplistic example involving a relatively small amount of money, small items tend to turn very quickly into large dollars having a substantial impact on a company's net income. Imagine the impact of selling or trading a printing press before the investment tax credit is fully realized. Given the purchase price of a press, it is easy to see how the dollar impact of an improper decision could range into the thousands of dollars if the tax effect is not considered.

Thus we can readily understand the importance of tax planning. Tax planning keeps more of the money generated in a transaction in company coffers. One should never lose sight of the fact that while taxes must be paid, there is nothing to prevent anyone from minimizing those taxes to the fullest extent allowed by law. Minimizing taxes, however, takes proper tax planning.

Almost every business decision has tax consequences, but managers seldom take these consequences into account. Generally, the reason is that the people involved simply do not understand tax implications and so, have little knowledge of how to reduce their tax on a given transaction. Also, many decisions are made hurriedly, with next to no thought given to what may happen at the end of the year. The latter is probably the cause of many more high tax bills than is managers' lack of understanding. The "how-to" of tax planning is relatively easy, although complex tax laws can make it a time consuming process.

The initial step in tax planning always involves obtaining all of the necessary information on the transaction in question. The transaction may be setting up a new business (deciding what type of entity it should be), the acquisition of new equipment (whether to lease or purchase new or used equipment), the purchase of real estate, or the disposition of marketable securities. These are only a few of the decisions which must be made and each can be handled in different ways to produce different tax results.

Once all the information is gathered, the next step is to examine the effects of various ways of structuring the transaction. Some alternatives, such as the example of trading in an automobile, are easy to evaluate; others may take more time and a great deal of study. Consider, for example, evaluating how to structure a merger or acquisition. This is a highly complex area that demands professional help. One mistake could mean paying a large sum of money in taxes that would otherwise not have to be paid. In careful tax planning, it is necessary that all of the possibilities be researched. A number of resources are available for this research. Among the most important is the Internal Revenue Code. The code, however, is really only a starting point for further research. Because it is so complex, interpretations of code provisions and the effect of the interaction between code sections on a situation is often better understood by going to other sources. It may also be necessary to study the legal history of a particular situation to determine how the courts view certain Internal Revenue Code provisions. All of these factors may enter into the final structuring of a decision. Because of other factors such as economics or timing, the end result may still not yield the lowest tax liability. However, by evaluating the tax effect, most companies will pay a considerably smaller tax than they would have if they had done no tax planning at all.

It should be noted that tax planning involves more than just immediate or short term results. The "Economic Recovery Tax Act of 1981" and the "Accelerated Cost Recovery System" provisions contained in that act now make it necessary to review the ramifications of the purchase of real estate and the method used to calculate its depreciation. The effect of different depreciation options for real estate is discussed in "Update on the Accelerated Cost Recovery System".

In summary, tax planning should be a vital and integral step in the decision making process. To minimize tax liabilities, it is absolutely essential.

UPDATE ON THE ACCELERATED COST RECOVERY SYSTEM

The passage of the "Economic Recovery Tax Act of 1981" (ERTA) substantially changed the method by which the cost of capital investments were depreciated. The new system of cost recovery has come to be known as "ACRS depreciation". The Accelerated Cost Recovery System provisions as passed by Congress in 1981 was to be implemented in three steps. However, Congress in 1982 had second thoughts about allowing the final two steps of the original ACRS provisions to take effect. The Congress felt that in light of the impending budget deficits, the generosity of the ACRS provisions should be curtailed. As a result the "Tax Equity and Fiscal Responsibility Act" (TEFRA) signed by President Reagan in August 1982 eliminated the final two steps of the original ACRS provisions which were scheduled to take effect in 1985 and 1986.

As ERTA was originally passed the ACRS method of cost recovery utilizes standard percentages to determine allowable deductions. For property placed in service between January 1, 1981 and December 31, 1984, these percentages approximate the 150 percent declining balance method of depreciation for the first two years with the "half-year convention" in the year of acquisition, and a change to the straight-line method after that. (See Table 1 for recovery percentages applicable to these years). Recovery rates for property placed in service in 1985 would have approximated the 175 percent declining balance method, including the half-year convention, with a switch to the sum of the years digits method in the later years of the recovery period (See Table 2). For assets placed in service in 1986 and thereafter, recovery rates would have approximated the 200 percent declining balance method, with the half-year convention, and a switch to the sum of the years digits method (See Table 3).

TABLE 1

FOR PROPERTY PLACED IN SERVICE 1981-84

	Class of Investment			
	3-Year	5-Year	10-Year	15-Year Public Utility Property
If the recovery year is:				
1	25%	15%	8%	5%
2	38	22	14	10
3	37	21	12	9
4		21	10	8
5		21	10	7
6			10	7
7			9	6
8			9	6
9			9	6
10			9	6
11				6
12				6
13				6
14				6
15				6
TOTAL	100%	100%	100%	100%

TABLE 2

FOR PROPERTY PLACED IN SERVICE 1985

	Class of Investment			
	3-Year	5-Year	10-Year	15-Year Public Utility Property
If the recovery year is:				
1	29%	18%	9%	6%
2	47	33	19	12
3	24	25	16	12
4		16	14	11
5		8	12	10
6			10	9
7			8	8
8			6	7
9			4	6
10			2	5
11				4
12				4
13				3
14				2
15				1
TOTAL	100%	100%	100%	100%

TABLE 3

FOR PROPERTY PLACED IN SERVICE AFTER DECEMBER 31, 1985

	Class of Investment			
	3-Year	5-Year	10-Year	15-Year Public Utility Property
If the recovery year is:				
1	33%	20%	10%	7%
2	45	32	18	12
3	22	24	16	12
4		16	14	11
5		8	12	10
6			10	9
7			8	8
8			6	7
9			4	6
10			2	5
11				4
12				3
13				3
14				2
15				1
TOTAL	100%	100%	100%	100%

While TEFRA eliminated the 1985 and 1986 accelerations it did not change the "optional method" of determining recovery deductions. The optional method allows taxpayers to choose a straight line method of depreciation over the ACRS method if it is more advantageous for them to do so. The life of property calculated according to the straight line method may vary from 3 years to 45 years. Additionally, deductions in each class of assets may be calculated accordingly to any of three different recovery terms. A taxpayer may choose to use the straight line method over 3, 5 or 12 years for 3-year property; 5, 12, or 25 years for 5-year property; 10, 25 or 35 years for 10-year property; and 15, 35 or 45 years for 15-year property.

One thing to keep in mind in choosing which method to use, however, is that a decision to use the straight line method during the course of the above time periods is irrevocable. Moreover, all property in the same class which is placed in service that year must adhere to the same method. Thus, a taxpayer who places two identical pieces of equipment in service in the same year may not use the statutory accelerated recovery rates for one of these assets and a straight line recovery rate for the other. The same method must be used for both. The taxpayer may, however, select the accelerated rates for 3-year property and the straight line rates for 5-year property. Also, the taxpayer must use the same life for all assets of the same class that are placed in service in that year. Consequently, if a 12-year straight line recovery period is selected for property in the 5-year class, all property in that class placed in service that year must be calculated on the basis of a 12-year straight line recovery period.

The straight line recovery method does allow a half-year convention in the year of acquisition but not in the year of disposition. This is not a problem if the asset is held for its entire recovery term.

TEFRA added an additional provision that makes the depreciation computations a little more complex than the original provisions of ERTA. The new provisions require an adjustment to the depreciable basis of assets acquired after December 31, 1982. The downward basis adjustment that must be made is equal to 50% of the investment tax credit claimed on the asset. Thus an asset which is purchased for $100,000 would have a depreciable basis of $95,000 after adjusting for 50% of the $10,000 investment tax credit. There is an exception to the basis adjustment rule.

If the company has large loss carryforwards or large investment tax credit carryforwards from previous periods, an election may be made to take an 8% investment tax credit and not make any downward adjustment in the depreciable basis of the asset. Although the large carryforwards are not required by law, without them the 10% credit would be more advantageous.

When an investment tax credit for which a downward adjustment has been made goes unused for the 15 year carryover period, the company may then take a deduction for 50% of the unused credit.

When an asset is sold, a recapture problem is encountered. TEFRA provides that not only must the depreciation be recaptured but also the downward basis adjustment. If an asset had been purchased for $100,000 and all allowable depreciation had been taken, the depreciation would be subject to full recapture. If sold for $100,000, the gain of $100,000 would be taxed as ordinary income. Before the enactment of TEFRA the ordinary income portion of the gain would have been $95,000 and there would have been a capital gain of $5,000.

The following example illustrates the differences in depreciation as allowed under ACRS as amended by TEFRA, ACRS as originally passed, and pre ACRS methods.

Compare the 6 years of deductions on a press costing $500,000. The press has a useful life of 10 years and a salvage value of $50,000 under the prior law. Under the new law, the press falls into the 5-year class. The example assumes that the press is placed in service on July 1, 1982. The investment tax credit is $50,000 and the downward basis adjustment is $25,000.

	Amended ACRS		Original ACRS		Old Law	
Year	ACRS	Straight Line	ACRS	Straight Line	Accelerated (DDB)	Straight Line
1	$ 71,250	$ 47,500	$ 75,000	$ 50,000	$ 50,000	$ 22,500
2	104,500	95,000	110,000	100,000	90,000	45,000
3	99,750	95,000	105,000	100,000	72,000	45,000
4	99,750	95,000	105,000	100,000	58,000	45,000
5	99,750	95,000	105,000	100,000	46,000	45,000
6	0	47,500	0	50,000	37,000	45,000
	$475,000	$475,000	$500,000	$500,000	$353,000	$247,500

The following is a review of the real property rules which were left unchanged by TEFRA. The rules for real property differ slightly from those for personal property. All real property, with minor exceptions, has a 15-year recovery period. The Treasury Department has issued tables based on the 175 percent declining balance method changing to the straight line method at the point which maximizes the deduction. The rates are different from those used for 15-year public utility property. Tables for public utility property switches from 175 percent declining balance method to the sum of the years digits method. The optional straight line recovery terms are the same for both.

The recovery period for real property will, in general, begin on the first day of the month in which the property is placed in service. There is no half-year convention allowed for real property. Also, unlike the regulations governing personal property, the choice between using the recovery method or the straight line recovery method is made on a property by property basis. Considerable care should be taken in choosing which method to use since the choice could materially affect the type of income that is reported when the property is sold. This is because, as under the prior law, the gain on the sale of real property is subject to recapture rules. Recapture rules, too, have been modified under the new law. Simply stated, the old law recapture rules for real property only covered the difference between deductions actually taken for accelerated depreciation and deductions that would have been taken had the straight line method been used. Thus, with the straight line method, there would have been no recapture of depreciation. The new law continues the "no recapture provisions" of the old law for real property that uses the straight line method. Residential real property which is depreciated under the new ACRS system recaptures the excess of the accelerated depreciation over the straight line depreciation. In the case of the commercial and industrial real properties, as well as any substantial improvements made to them, there is full recapture of the cost recovery deductions as ordinary income if these properties have been depreciated with the new cost recovery rates. Thus, even if a property is held for the full 15-year recovery period, its sale will generate ordinary gains and not capital gains. The following example illustrates the effects of the recapture provisions in the two recovery methods:

Assume JJ Printer buys a building for $1,000 and leases it to his corporation for a period of 15 years. At the same time he buys an apartment complex, also for $1,000. After holding both properties 7 years, he sells each of them for the original $1,000. The effects of the different recovery methods are as follows:

	Industrial Building		Apartment Complex	
Year	Using ACRS	Using SL	Using ACRS	Using SL
1	$ 120	$ 67	$ 120	$ 67
2	100	67	100	67
3	90	67	90	67
4	80	67	80	67
5	70	67	70	67
6	60	67	60	67
7	60	67	60	67
Total Depreciation Taken	580	469	580	469
Original Cost	1,000	1,000	1,000	1,000
	420	531	420	531
Selling Price	1,000	1,000	1,000	1,000
Gain On Sale	$ 580	$ 469	$ 580	$ 469

As the table shows, the two buildings yield the same cost recovery deductions regardless of which option he uses (providing the same option is used on both properties). The difference appears when calculating the tax on gains derived from the sale. If we assume JJ Printer has a personal tax rate of 50 percent (the top bracket effective January 1, 1982), we can calculate the tax effect of each method on the gain.

	Industrial Building		Apartment Complex	
	Using ACRS	Using SL	Using ACRS	Using SL
Gain	$ 580	$ 469	$ 580	$ 469
Tax On Gain	$ 290	$ 94	$ 149	$ 94

The results show that the straight line calculation produces the same effect in both instances. Since there is no recapture in the straight line method, the entire gain becomes capital gain and is taxed at the maximum capital gain rate of 20 percent. The resultant tax on the industrial building is substantially more when the ACRS method is used. Here, the law calls for full recapture. Thus the full $580 gain must be "recaptured" and taxed at ordinary income tax rates. The apartment complex, because it is residential real property, is handled differently. The recapture only applies to the excess of the ACRS deduction over the straight line deduction. In this example, the $111 ($580 minus $469 difference) is subject to ordinary income tax rates. The balance of the gain, $469, is taxed at the maximum capital gain rate of 20 percent. If we were to change the dollar amounts in the example to thousands of dollars, and make them more representative of today's economy, there would be drastic differences in the taxes due on the gain.

While the foregoing example is a simplistic one, it readily points out the need to carefully evaluate each method before deciding which one to use in calculating the cost recovery deductions. Such an evaluation should also include an analysis of the cash flow from the properties, the time value of money, and the individual characteristics of each transaction, all of which were ignored in this example.

The changes brought about by TEFRA, while not drastic, do have an impact and the effects must be considered in any capital improvement plan.

ON THE ROAD TO RECOVERY - STRATEGIES FOR BETTER COSTING AND PRICING

Economic conditions have forced business managers to seize tighter control of their costing and pricing strategies. Even though recent industrial trends show large printers relatively unaffected by recessionary pressures, the majority of medium to small size printing firms have not been as fortunate. These firms have been ravaged by both inflationary and recessionary elements. We are told that the economy is now on an upturn. If this is, indeed, true then the time is right for printing managers to take hold of this situation by employing updated costing and pricing strategies.

REPLACEMENT COSTS

The average printer is spending approximately 37 percent of sales on material. Needless to say, printers cannot use yesterday's costs to determine today's pricing. Yet, while this simple statement may sound obvious, the fact remains that the majority of printers do calculate prices based on outdated costs.

With costs continuously changing, printers must be ready, at all times, to update their costing and pricing systems. Furthermore, to price jobs profitably they must be able to anticipate what those cost increases will be. Herein lies the problem. With material and supply costs climbing at a fast pace, determining exact figures for these costing components proves difficult. The NIFO (Next-In, First-Out) method for material costing insures that a printing firm's costs for a job will be reported so as to allow for adequate funds to replace the goods used to produce the work.

Using the NIFO method, if you were to cost a job which required paper purchased at 43 cents per pound; film at $1 per sheet; and plates at $5, you would look ahead to what the replacement cost of these materials will be before you cost and price the work. If today's prices indicate that paper has jumped to 48 cents; film to $1.50; and plates to $5.50, then these are the figures you would use to calculate both your costs and your final price.

Pricing and Costing Utilizing Replacement Values

Original Purchase Price	Current Price To Replace
Paper @ $0.43/lb.	$0.48
Film @ $1.00	$1.50
Plates @ $5.00	$5.50

According to NIFO, you cost and price at:

Paper	Film	Plates
$0.48	$1.50	$5.50

Remember, the purpose of your cost and accounting system is to give you a clear picture of the ongoing financial operations of your business. The more accurate this picture is, the more intelligently you can price your printed product. Any system that does not provide for the replacement of materials and supplies will dig directly into your profits on the job.

UPDATED HOURLY COST RATES

Another factor with tremendous impact on costing and pricing is hourly cost rates. These production cost calculations must be scrutinized at increasingly close intervals as your costs of doing business climb.

Since the foundation of budgeted hourly rates is an analysis of current operating expenses and anticipation of increased expenses, profitable and competitive rates need to be continuously updated to compensate for present economic woes. The old theory of determining hourly costs once a year can be thrown out the window. Under today's inflation rate, your hourly rates should be calculated on a quarterly basis in order to reflect true operating costs.

INCREASED PRODUCTIVITY

Although increasing costs are a fact of life for today's printers, correspondingly increasing prices are not. The prime weapon graphic arts firms have to battle inflation with is productivity. Printers should take a close look at how improving productivity will lower the cost per unit and thus offset the devastating effects of inflation. Innovations are available in both management and technology that can give a big boost to productivity. Printers who do not keep pace with these innovations may well find higher costs driving them out of competition.

If your cost per hour of production is, say, $40 and you produce 5,000 units per hour, then your costs are $8 for each 1,000 units. Operating under 13 percent inflation for a period of three years, these same 5,000 units would cost $57.72 per hour, and total $11.54 per 1,000 units. (See illustration below.) This $3.54 per thousand increase may bump a printer out of the competitive market.

Assuming cost per hour cannot be changed, a graphic arts firm may well be stuck with the higher $57.72 cost per hour figure. But units produced can be improved. It is a rare (or not truthful) printer who can honestly say he cannot increase units produced per hour. In our example, a 2,215 boost in units produced each hour would lower the cost per unit back to the original $8 per thousand. Even though this entire increase may be unachievable, it is remarkable how much productivity can be increased if you set your goal and keep to it.

Increased Productivity Keeps Cost Per Unit Down

	Cost Per Hour ($'s)	Units Produced (Per Hour)	Cost Per Unit ($'s/M)
Base	40.00	5,000	8.00
13% Increase Per Year for Three Years	57.72	5,000	11.54
Objective to INCREASE Units Produced	57.72	7,215	8.00

To implement this increase in units produced per hour may involve the purchase of new technology, a production improvement program, or merely an investment in higher quality materials. But often the increase can be instituted without any added capital at all.

Printers today must be ready to investigate all and any avenues that might lead to increased productivity. By doing so, they will be better prepared to offset the potentially crippling effects of inflation. Tighter controls must be maintained in all aspects of the business. Accounting systems must insure that all costs are reported and that costs and prices are geared to the continuation of healthy operations. Then, printing firms should be on the road to recovery.

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Printing
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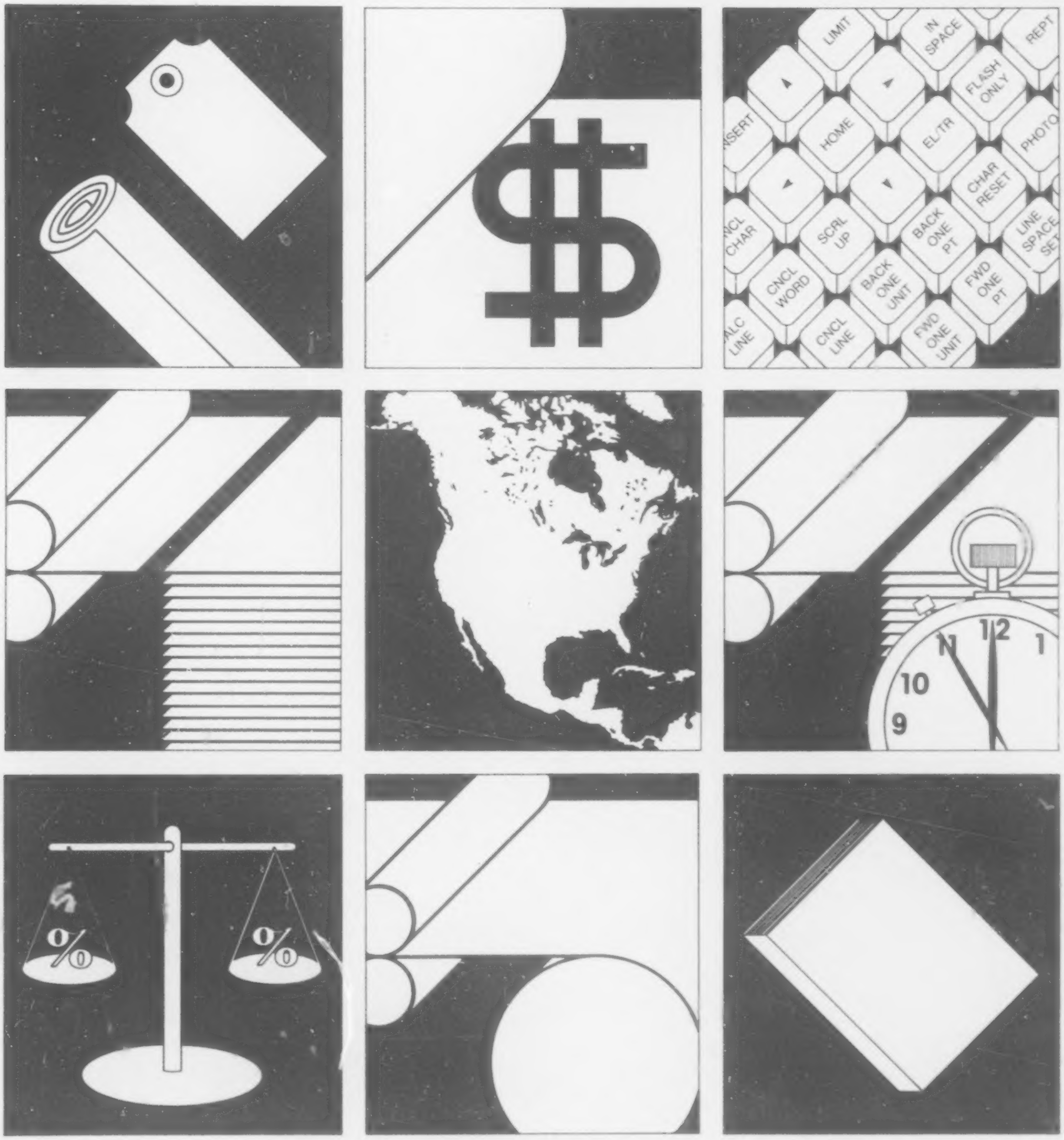
1983 Financial Ratios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Volume II

All Printers by Sales Volume

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management

  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
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- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
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Information on these and other PIA financial and management programs and services is available from

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60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

ALL PRINTERS BY SALES VOLUME

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PRINTING INDUSTRIES OF AMERICA, INC.

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CERTIFIED PUBLIC ACCOUNTANTS

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Dear Member of the Graphic Arts Community:

We are pleased to present to you PIA's 1983 Financial Ratio Studies. This year, a total of 884 firms representing various segments of the graphic arts industry in the United States and Canada participated in these studies by responding to PIA's questionnaire on financial performance. Among these respondents, 161 firms may be considered "Profit Leaders," earning eight percent or greater pretax profits on sales. Such widespread participation has made the annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the financial status of graphic arts firms according to sales volume. Ratios and statistics from responding firms are presented in six categories: sales to $250,000, sales from $250,000 to $500,000, sales from $500,000 to $1,500,000, sales from $1,500,000 to $5,000,000, sales from $5,000,000 to $10,000,000, and sales over $10,000,000. Readers can compare the data from their own firm's financial statements with similar data from other firms having the same sales volume in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

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1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	

62.2% divided by 3 = 20.7%

VALUE ADDED -- WHAT IT MEANS TO YOU

VALUE ADDED DEFINED

Value added is simply your sales less material costs, which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$ 23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services -- composition, offset preparation, printing, bindery, etc.

KNOWN BY OTHER TERMS

Value added is also known by such other terms as inside sales, conversion value, inside manufacturing value and real contribution to overhead and profit. Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

CONCEPTUAL UNDERSTANDING OF VALUE ADDED

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry.

Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the value added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

STATEMENT OF OPERATIONS -- VALUE ADDED: THE BETTER STATEMENT

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	43.95	38.23	44.95	39.91	43.18	36.96
FACTORY EXPENSES	20.00	18.35	26.03	31.06	20.33	19.80
TOTAL FACTORY COST OF PRODUCT	63.95	56.58	70.98	70.97	63.51	56.76
GROSS PROFIT	36.05	43.42	29.02	29.03	36.49	43.24
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	15.96	13.97	18.09	5.43	21.62	19.70
Selling expenses	13.00	10.42	9.78	3.92	9.23	6.52
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	28.96	24.39	27.87	9.35	30.85	26.22
INCOME BEFORE INTEREST EXPENSE	7.09	19.03	1.15	19.68	5.64	17.02
Interest expense	3.45	2.10	4.47	2.03	2.86	1.60
OPERATING INCOME (LOSS)	3.64	16.93	(3.32)	17.65	2.78	15.42
Other income	1.31	1.83	0.05	0.44	0.92	0.93
INCOME (LOSS) BEFORE INCOME TAXES	4.95	18.76	(3.27)	18.09	3.70	16.35

* See Page 10 for the definition of "Profit Leaders."

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
42.81	38.81	43.28	35.60	44.98	38.71	46.60	41.05
19.53	17.83	19.78	[illegible]	19.45	17.36	20.78	19.26
62.34	56.64	63.06	53.22	64.43	56.07	67.38	60.31
37.66	43.36	36.94	46.78	35.57	43.93	32.62	39.69
19.98	18.27	15.64	15.03	12.94	13.03	10.38	8.52
13.17	7.85	14.24	11.30	14.12	13.77	10.81	10.53
33.15	26.12	29.88	26.33	27.06	26.80	21.19	19.05
4.51	17.24	7.06	20.45	8.51	17.13	11.43	20.64
3.12	2.34	3.63	2.17	3.89	1.78	3.21	2.22
1.39	14.90	3.43	18.28	4.62	15.35	8.22	18.42
1.30	2.90	1.48	1.65	1.28	1.85	1.34	1.57
2.69	17.80	4.91	19.93	5.90	17.20	9.56	19.99

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	3.12%	2.54%	8.60%	1.35%	3.25%	2.37%
Direct wages	30.14	26.26	24.69	17.32	33.24	28.78
General factory salaries and wages	3.26	2.94	5.76	16.33	1.29	1.63
Packing, shipping and delivery wages	1.37	1.25	0.52	0.00	0.70	0.22
Payroll taxes	2.68	2.19	3.37	2.50	2.84	2.59
Employee benefits	3.38	3.05	2.01	2.41	1.86	1.37
TOTAL FACTORY PAYROLL	43.95	38.23	44.95	39.91	43.18	36.96
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.42	0.31	0.19	0.52	0.31	0.10
Depreciation - other	4.85	4.99	7.01	6.57	4.82	5.62
Taxes - real estate	0.34	0.32	0.68	1.48	0.27	0.01
Taxes - other	0.30	0.21	0.36	0.00	0.22	0.07
Insurance	0.84	0.80	1.50	2.12	1.36	1.82
Building rent	2.28	1.93	5.93	3.91	4.22	3.64
Utilities - heat, light, etc.	1.92	1.72	1.74	1.81	1.83	1.67
Equipment rental	0.84	0.64	2.28	0.36	1.26	0.17
Total Fixed Expenses	11.79	10.92	19.69	16.77	14.29	13.10
Other Expenses						
Factory supplies and expense	3.19	2.84	1.61	0.44	2.18	1.80
Packing, shipping and delivery expense	1.76	1.53	1.33	0.39	1.59	2.29
Repairs and maintenance	2.14	2.05	1.92	1.74	1.88	2.39
Other factory expenses	1.12	1.01	1.48	11.72	0.39	C.22
Total Other Expenses	8.21	7.43	6.34	14.29	6.04	6.70
TOTAL FACTORY EXPENSES	20.00	18.35	26.03	31.06	20.33	19.80
ADMINISTRATIVE EXPENSES						
Salaries - executive	4.81	4.77	5.75	1.01	7.99	7.89
Salaries - office	3.94	3.03	4.33	1.01	5.32	4.32
Payroll taxes	0.53	0.41	0.60	0.05	0.84	0.53
Employee benefits	0.81	0.74	0.67	0.07	0.68	0.55
Bad debts	0.83	0.75	0.91	0.13	0.96	0.63
Office supplies and expenses	0.75	0.62	1.15	0.41	0.90	0.81
Professional fees	0.90	0.76	1.23	0.73	1.00	1.08
Taxes - business	0.28	0.29	0.19	0.00	0.54	1.10
Telephone	0.79	0.61	1.56	1.29	1.08	0.75
Other administrative expenses	2.32	1.99	1.70	0.73	2.31	2.04
TOTAL ADMINISTRATIVE EXPENSES	15.96	13.97	18.09	5.43	21.62	19.70
SELLING EXPENSES						
Salaries - executive	2.13	1.64	3.03	1.01	2.44	1.00
Salaries and commissions - salesmen	5.83	4.77	1.90	0.51	2.87	2.36
Salaries - sales office clerical	0.98	0.83	0.60	0.50	0.55	0.75
Payroll taxes	0.43	0.29	0.32	0.05	0.26	0.14
Employee benefits	0.50	0.45	0.20	0.07	0.22	0.06
Advertising	0.69	0.51	1.79	0.37	1.05	0.82
Travel and entertainment	1.37	1.02	1.18	1.41	1.34	1.07
Other selling expenses	1.07	0.91	0.76	0.00	0.50	0.32
TOTAL SELLING EXPENSES	13.00	10.42	9.78	3.92	9.23	6.52

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.23%	3.00%	3.01%	2.49%	2.82%	2.71%	2.65%	2.23%
31.47	27.83	29.46	24.51	29.85	26.15	29.28	26.91
1.76	2.56	3.49	2.22	3.67	2.65	5.25	4.09
1.25	1.42	1.45	1.31	1.58	1.53	1.61	1.27
2.56	1.84	2.61	2.22	2.70	2.22	2.84	2.25
2.54	2.16	3.26	2.85	4.36	3.45	4.97	4.30
42.81	38.81	43.28	35.60	44.98	38.71	46.60	41.05
0.31	0.18	0.39	0.27	0.65	0.48	0.48	0.43
4.77	4.99	4.86	5.02	4.69	4.50	4.89	4.96
0.24	0.24	0.34	0.27	0.35	0.37	0.45	0.45
0.32	0.26	0.28	0.24	0.39	0.21	0.28	0.20
1.18	1.18	0.77	0.76	0.57	0.61	0.40	0.28
3.09	2.70	2.10	2.14	1.34	1.25	0.88	0.92
1.74	1.15	1.79	1.48	2.06	1.96	2.46	2.30
0.96	1.78	0.82	0.41	0.58	0.41	0.51	0.39
12.61	12.48	11.35	10.59	10.63	9.79	10.35	9.93
2.49	1.49	3.35	2.79	3.63	3.29	4.13	4.11
1.59	0.96	1.90	1.64	1.61	1.54	1.99	1.61
1.95	1.97	2.05	1.82	2.29	2.19	2.71	2.22
0.89	0.93	1.13	0.78	1.29	0.55	1.60	1.39
6.92	5.35	8.43	7.03	8.82	7.57	10.43	9.33
19.53	17.83	19.78	17.62	19.45	17.36	20.78	19.26
6.27	6.19	4.74	5.91	3.66	3.98	2.08	1.92
5.17	4.52	3.78	2.86	2.98	2.69	2.71	2.01
0.68	0.49	0.52	0.54	0.37	0.34	0.30	0.21
0.81	0.58	0.88	0.97	0.79	0.76	0.72	0.67
0.94	0.88	0.76	0.61	0.84	1.02	0.75	0.72
0.94	0.79	0.77	0.63	0.55	0.60	0.49	0.46
1.06	1.09	0.85	0.76	0.88	0.68	0.68	0.45
0.31	0.19	0.29	0.24	0.21	0.28	0.15	0.17
0.96	0.76	0.77	0.58	0.61	0.61	0.52	0.46
2.84	2.78	2.28	1.93	2.05	2.07	1.98	1.45
19.98	18.27	15.64	15.03	12.94	13.03	10.38	8.52
2.78	1.90	2.09	1.68	1.92	2.12	1.16	1.28
5.32	2.77	6.96	5.75	6.62	6.21	4.92	5.00
0.73	0.62	1.03	0.49	1.21	1.45	1.30	1.04
0.45	0.23	0.50	0.36	0.44	0.39	0.31	0.25
0.38	0.23	0.55	0.48	0.71	0.83	0.54	0.47
0.89	0.59	0.61	0.58	0.53	0.49	0.39	0.29
1.53	1.12	1.46	1.16	1.36	1.07	0.98	0.71
1.09	0.39	1.04	0.80	1.33	1.21	1.21	1.49
13.17	7.85	14.24	11.30	14.12	13.77	10.81	10.53

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT						
MATERIAL						
Paper	23.35	22.85	18.92	18.95	20.27	19.00
Other chargeable materials	5.31	5.19	5.54	5.35	4.29	2.49
Outside services	7.97	6.57	5.91	1.44	8.12	7.10
TOTAL MATERIAL	36.63	34.61	30.37	25.74	32.68	28.59
FACTORY PAYROLL	27.83	25.07	31.49	29.61	29.06	26.73
FACTORY EXPENSES	12.63	12.02	18.32	23.42	13.65	14.16
TOTAL FACTORY COST OF PRODUCT	77.09	71.70	80.18	78.77	75.39	69.48
GROSS PROFIT	22.91	28.30	19.82	21.23	24.61	30.52
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	10.19	9.19	12.21	3.99	14.67	14.08
Selling expenses	8.23	6.85	6.67	2.88	6.05	4.59
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	18.42	16.04	18.88	6.87	20.72	18.67
INCOME BEFORE INTEREST EXPENSE	4.49	12.26	0.94	14.36	3.89	11.85
Interest expense	2.15	1.35	3.05	1.45	1.90	1.07
OPERATING INCOME (LOSS)	2.34	10.91	(2.11)	12.91	1.99	10.78
Other income	0.81	1.17	0.07	0.33	0.62	0.68
INCOME (LOSS) BEFORE INCOME TAXES	3.15	12.08	(2.04)	13.24	2.61	11.46

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS						
Ink	1.79%	2.09%	0.77%	0.74%	0.88%	0.58%
Film	1.09	1.07	1.59	1.39	1.06	1.40
Plates	1.21	1.07	0.85	1.57	1.39	0.07
Other chargeable materials	1.22	0.96	2.33	1.65	0.96	0.44
TOTAL OTHER CHARGEABLE MATERIALS	5.31	5.19	5.54	5.35	4.29	2.49
OUTSIDE SERVICES						
Composition	0.88	0.63	0.76	0.00	1.05	0.84
Offset preparation	1.45	1.09	0.24	0.00	0.93	0.05
Printing	2.12	1.71	3.55	0.48	4.04	3.52
Binding	1.88	1.59	0.63	0.00	0.86	0.42
Other outside services	1.64	1.55	0.73	0.96	1.24	2.27
TOTAL OUTSIDE SERVICES	7.97	6.57	5.91	1.44	8.12	7.10

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
20.93	20.15	22.52	23.03	25.94	22.84	28.85	26.20
5.01	5.87	5.08	4.14	5.38	5.32	6.80	6.79
8.26	6.18	8.50	7.77	7.99	6.11	6.33	5.77
34.20	32.20	36.10	34.94	39.31	34.27	41.98	38.76
28.18	26.35	27.70	23.28	27.35	25.56	26.96	25.18
12.84	12.23	12.60	11.50	11.66	11.30	11.97	11.73
75.22	70.78	76.40	69.72	78.32	71.13	80.91	75.67
24.78	29.22	23.60	30.28	21.68	28.87	19.09	24.33
13.09	12.27	9.98	9.67	7.77	8.53	6.11	5.31
8.58	5.39	9.10	7.31	8.62	9.24	6.38	6.64
21.67	17.66	19.08	16.98	16.39	17.77	12.49	11.95
3.11	11.56	4.52	13.30	5.29	11.10	6.60	12.38
2.06	1.61	2.30	1.45	2.28	1.11	1.78	1.29
1.05	9.95	2.22	11.85	3.01	9.99	4.82	11.09
0.85	1.83	0.93	1.05	0.73	1.21	0.77	0.96
1.90	11.78	3.15	12.90	3.74	11.20	5.59	12.05
1.08%	1.07%	1.44%	1.03%	2.02%	1.76%	3.55%	4.02%
0.90	1.29	1.30	1.46	1.19	1.07	0.80	0.81
1.37	1.87	1.34	1.04	1.19	1.50	0.97	0.82
1.66	1.64	1.00	0.61	0.98	0.99	1.48	1.14
5.01	5.87	5.08	4.14	5.38	5.32	6.80	6.79
1.09	0.91	1.06	0.87	0.45	0.37	0.41	0.41
1.22	1.22	1.67	1.22	1.72	1.32	1.31	0.93
2.92	1.82	1.99	2.22	1.52	1.83	0.84	0.87
1.66	1.22	2.03	1.72	2.26	1.46	2.15	1.86
1.37	1.01	1.75	1.74	2.04	1.13	1.62	1.70
8.26	6.18	8.50	7.77	7.99	6.11	6.33	5.77

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	1.99%	1.70%	5.90%	0.97%	2.25%	1.82%
Direct wages	19.08	17.21	16.99	12.43	22.33	20.71
General factory salaries and wages	2.08	1.95	4.47	12.53	0.83	1.15
Packing, shipping and delivery wages	0.86	0.81	0.35	0.00	0.48	0.16
Payroll taxes	1.70	1.44	2.36	1.88	1.92	1.85
Employee benefits	2.12	1.96	1.42	1.80	1.25	1.04
TOTAL FACTORY PAYROLL	27.83	25.07	31.49	29.61	29.06	26.73
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.26	0.21	0.13	0.37	0.21	0.07
Depreciation - other	3.05	3.22	4.87	4.91	3.27	4.01
Taxes - real estate	0.21	0.20	0.44	1.10	0.18	0.01
Taxes - other	0.19	0.14	0.25	0.00	0.15	0.05
Insurance	0.54	0.54	1.05	1.60	0.90	1.25
Building rent	1.47	1.30	4.26	3.00	2.80	2.69
Utilities - heat, light, etc.	1.20	1.11	1.20	1.31	1.22	1.19
Equipment rental	0.55	0.45	1.66	0.28	0.86	0.13
Total Fixed Expenses	7.47	7.17	13.86	12.57	9.59	9.40
Other Expenses						
Factory supplies and expense	2.00	1.84	1.09	0.31	1.48	1.29
Packing, shipping and delivery expense	1.11	0.99	0.90	0.28	1.07	1.62
Repairs and maintenance	1.34	1.34	1.36	1.26	1.26	1.69
Other factory expenses	0.71	0.68	1.11	9.00	0.25	0.16
Total Other Expenses	5.16	4.85	4.46	10.85	4.06	4.76
TOTAL FACTORY EXPENSES	12.63	12.02	18.32	23.42	13.65	14.16
ADMINISTRATIVE EXPENSES						
Salaries - executive	3.08	3.12	3.78	0.72	5.46	5.65
Salaries - office	2.53	2.01	2.93	0.72	3.60	3.10
Payroll taxes	0.34	0.27	0.41	0.04	0.56	0.38
Employee benefits	0.51	0.48	0.49	0.05	0.47	0.40
Bad debts	0.52	0.49	0.59	0.09	0.66	0.48
Office supplies and expenses	0.48	0.41	0.79	0.31	0.60	0.57
Professional fees	0.57	0.50	0.87	0.55	0.68	0.79
Taxes - business	0.18	0.19	0.13	0.00	0.35	0.71
Telephone	0.50	0.40	1.05	0.99	0.71	0.52
Other administrative expenses	1.48	1.32	1.17	0.52	1.58	1.48
TOTAL ADMINISTRATIVE EXPENSES	10.19	9.19	12.21	3.99	14.67	14.08
SELLING EXPENSES						
Salaries - executive	1.36	1.08	2.06	0.72	1.61	0.73
Salaries and commissions - salesmen	3.67	3.06	1.31	0.36	1.88	1.63
Salaries - sales office clerical	0.62	0.57	0.40	0.36	0.38	0.53
Payroll taxes	0.28	0.20	0.22	0.04	0.17	0.10
Employee benefits	0.31	0.30	0.13	0.05	0.14	0.05
Advertising	0.45	0.35	1.21	0.27	0.70	0.60
Travel and entertainment	0.86	0.67	0.80	1.08	0.84	0.75
Other selling expenses	0.68	0.62	0.54	0.00	0.33	0.20
TOTAL SELLING EXPENSES	8.23	6.85	6.67	2.88	6.05	4.59

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.15%	2.12%	1.94%	1.69%	1.65%	1.78%	1.51%	1.34%
20.67	18.92	18.81	15.93	18.10	17.16	16.93	16.55
1.19	1.66	2.25	1.54	2.32	1.82	3.05	2.52
0.81	0.91	0.94	0.86	0.94	1.02	0.93	0.78
1.69	1.26	1.68	1.44	1.64	1.47	1.64	1.41
1.67	1.48	2.08	1.82	2.70	2.31	2.90	2.58
28.18	26.35	27.70	23.28	27.35	25.56	26.96	25.18
0.21	0.13	0.26	0.18	0.38	0.33	0.28	0.26
3.10	3.32	3.07	3.27	2.78	2.87	2.82	3.01
0.16	0.17	0.22	0.17	0.20	0.24	0.25	0.26
0.21	0.19	0.17	0.15	0.24	0.14	0.17	0.13
0.78	0.82	0.49	0.49	0.34	0.39	0.23	0.18
2.02	1.85	1.33	1.38	0.82	0.81	0.50	0.58
1.14	0.79	1.14	0.95	1.24	1.29	1.42	1.38
0.66	1.28	0.53	0.28	0.37	0.30	0.30	0.24
8.28	8.55	7.21	6.87	6.37	6.37	5.97	6.04
1.65	1.02	2.15	1.82	2.19	2.18	2.38	2.50
1.04	0.64	1.22	1.09	0.95	0.97	1.16	0.98
1.27	1.32	1.30	1.20	1.37	1.42	1.54	1.37
0.60	0.70	0.72	0.52	0.78	0.36	0.92	0.84
4.56	3.68	5.39	4.63	5.29	4.93	6.00	5.69
12.84	12.23	12.60	11.50	11.66	11.30	11.97	11.73
4.09	4.14	3.00	3.74	2.17	2.55	1.22	1.21
3.40	3.07	2.42	1.87	1.81	1.79	1.59	1.25
0.44	0.34	0.34	0.35	0.22	0.22	0.18	0.13
0.54	0.39	0.56	0.61	0.47	0.50	0.43	0.42
0.62	0.59	0.48	0.41	0.50	0.64	0.44	0.43
0.62	0.53	0.49	0.42	0.33	0.40	0.28	0.28
0.69	0.70	0.54	0.48	0.52	0.45	0.40	0.29
0.20	0.13	0.19	0.15	0.13	0.18	0.09	0.12
0.62	0.51	0.49	0.38	0.37	0.41	0.31	0.28
1.87	1.87	1.47	1.26	1.25	1.39	1.17	0.90
13.09	12.27	9.98	9.67	7.77	8.53	6.11	5.31
1.80	1.29	1.34	1.10	1.18	1.42	0.68	0.78
3.48	1.92	4.44	3.69	4.01	4.07	2.88	3.08
0.48	0.44	0.66	0.31	0.76	1.03	0.76	0.68
0.30	0.16	0.32	0.23	0.27	0.27	0.19	0.17
0.25	0.15	0.35	0.31	0.43	0.57	0.32	0.29
0.58	0.39	0.39	0.39	0.33	0.34	0.24	0.19
0.98	0.76	0.94	0.75	0.82	0.70	0.57	0.45
0.71	0.28	0.66	0.53	0.82	0.84	0.74	1.00
8.58	5.39	9.10	7.31	8.62	9.24	6.38	6.64

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS						
CURRENT ASSETS						
Cash	6.57%	11.65%	8.30%	1.11%	9.74%	14.01%
Receivables	31.56	27.32	17.66	11.12	30.07	24.24
Inventories	13.04	11.55	13.58	5.48	11.07	9.17
Other current assets	4.19	6.62	3.11	12.39	4.75	9.73
TOTAL CURRENT ASSETS	55.36	57.14	42.65	30.10	55.63	57.15
FIXED ASSETS						
Real estate	10.53	10.13	11.02	43.05	7.41	5.11
Less: Accumulated depreciation	3.31	2.79	3.31	10.61	2.17	1.34
	7.22	7.34	7.71	32.44	5.24	3.77
Machinery and equipment	65.90	57.64	83.16	50.01	78.02	64.87
Less: Accumulated depreciation	36.12	29.77	41.42	16.07	46.78	34.15
	29.78	27.87	41.74	33.94	31.24	30.72
Other fixed assets	7.15	6.03	10.45	4.94	9.31	8.98
Less: Accumulated depreciation	3.77	2.93	5.75	2.27	5.68	4.57
	3.38	3.10	4.70	2.67	3.53	4.41
NET FIXED ASSETS	40.38	38.31	54.15	69.05	40.11	38.90
OTHER ASSETS	4.26	4.55	3.20	0.85	4.26	3.95
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes payable	8.59	4.73	9.60	12.52	8.39	4.20
Accounts payable	13.76	9.60	8.51	4.93	15.19	8.17
Other current liabilities	9.23	9.21	9.95	1.53	8.10	7.47
TOTAL CURRENT LIABILITIES	31.58	23.54	28.06	18.98	31.68	19.84
LONG-TERM LIABILITIES	26.87	18.57	39.25	24.55	30.73	19.31
TOTAL LIABILITIES	58.45	42.11	67.31	43.53	62.41	39.15
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.55	57.89	32.69	56.47	37.59	60.85
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.75	2.43	1.52	1.59	1.76	2.88
QUICK RATIO	1.34	1.94	1.04	1.30	1.41	2.42
TOTAL LIABILITIES TO EQUITY	1.41	0.73	2.06	0.77	1.66	0.64
LONG-TERM LIABILITIES TO EQUITY	0.65	0.32	1.20	0.43	0.82	0.32
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.55	0.52	0.50	0.32	0.60	0.53

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
7.39%	16.62%	6.62%	12.01%	6.16%	12.61%	3.61%	6.47%
34.02	28.00	32.51	28.29	30.26	26.64	29.75	27.92
11.61	9.94	12.79	10.97	14.48	13.26	15.31	13.38
4.07	6.25	4.43	6.95	4.04	5.69	3.73	5.82
57.09	60.81	56.35	58.22	54.94	58.20	52.40	53.59
7.55	6.98	9.95	8.34	13.55	13.70	15.01	12.20
2.82	2.24	3.24	2.33	3.77	4.08	4.36	2.94
4.73	4.74	6.71	6.01	9.78	9.62	10.65	9.26
70.03	57.00	65.52	59.83	58.74	51.57	59.10	57.74
40.45	31.70	36.26	31.66	30.21	27.64	28.92	26.70
29.58	25.30	29.26	28.17	28.53	23.93	30.18	31.04
8.80	7.09	7.68	6.97	5.27	6.71	3.53	2.63
4.75	3.94	3.89	2.91	2.68	3.48	1.77	1.27
4.05	3.15	3.79	4.06	2.59	3.23	1.76	1.36
38.36	33.19	39.76	38.24	40.90	36.78	42.59	41.66
4.55	6.00	3.89	3.54	4.16	5.02	5.01	4.75
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
8.88	5.47	9.29	5.77	8.72	3.42	6.11	3.58
15.13	10.79	13.85	9.74	12.67	8.85	12.60	9.76
7.24	6.36	9.93	9.51	9.56	10.93	10.65	10.76
31.25	22.62	33.07	25.02	30.95	23.20	29.36	24.10
27.37	19.36	26.23	19.90	25.85	14.11	24.91	18.93
58.62	41.98	59.30	44.92	56.80	37.31	54.27	43.03
41.38	58.02	40.70	55.08	43.20	62.69	45.73	56.97
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.83	2.69	1.70	2.33	1.78	2.51	1.78	2.22
1.46	2.25	1.32	1.89	1.31	1.94	1.26	1.67
1.42	0.72	1.46	0.82	1.31	0.60	1.19	0.76
0.66	0.33	0.64	0.36	0.60	0.23	0.54	0.33
0.58	0.56	0.55	0.53	0.51	0.54	0.49	0.46

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Average assets per employee - All employees	$ 33,052	$ 41,644	$ 25,407	$ 49,681	$ 19,437	$ 21,614
Average assets per factory employee (Excluding Executives)	47,208	57,994	44,403	54,045	30,307	33,631
Average net worth per employee - All employees	13,870	23,973	3,869	26,532	7,946	13,369
Average gross plant investment per factory employee (Excluding Executives)	38,038	42,479	47,711	54,696	27,337	28,104
Net worth percentage of fixed assets	147.62%	224.81%	94.22%	88.90%	147.44%	261.84%
EMPLOYEES						
Percent factory - All employees	75.00%	77.18%	75.23%	92.30%	71.35%	70.29%
Percent administrative - All employees	13.79	13.10	16.32	3.85	20.09	22.66
Percent sales - All employees	11.21	9.72	8.45	3.85	8.56	7.05
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES						
Sales per employee - All employees	$ 64,788	$ 74,351	$ 42,508	$ 50,505	$ 44,542	$ 45,473
Sales per factory employee	87,777	99,232	59,832	54,691	64,938	66,896
Sales less material per factory employee	54,347	63,263	41,670	40,646	42,861	47,613
Sales per administrative employee	642,518	886,896	314,298	293,600	281,030	233,174
EXCLUDING EXECUTIVES						
Sales per employee - All employees	72,516	81,948	64,467	53,530	54,738	54,728
Sales per factory employee	93,215	103,655	81,329	55,962	70,285	70,954
Sales less material per factory employee	57,748	66,131	56,257	41,558	46,625	50,810
SALES PER SALESMAN	693,759	842,316	0	0	188,455	153,859
SALES TO CURRENT ASSETS	434%	363%	858%	412%	630%	428%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES						
Total payroll percentage of sales	40.53%	36.15%	43.22%	32.68%	43.33%	39.31%
Factory payroll percentage of gross plant investment	92.87	78.66	82.22	34.53	95.56	96.45
Payroll per employee - All employees	$ 25,133	$ 25,706	$ 16,782	$ 16,373	$ 18,752	$ 17,564
Payroll per factory employee	23,130	23,533	16,293	16,195	17,686	17,283
Payroll per administrative employee	29,679	33,706	15,133	9,016	21,921	20,261
Payroll per sales employee	35,780	40,683	11,129	9,016	16,892	17,024
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES						
Payroll per employee - All employees	$ 19,848	$ 19,957	$ 13,338	$ 14,099	$ 15,111	$ 14,251
Payroll per factory employee	19,294	19,603	13,360	13,966	15,445	14,711
Payroll per administrative employee	15,661	15,741	8,503	8,512	11,590	12,248
Payroll per sales employee	27,545	28,972	5,899	8,512	8,885	8,820
EXECUTIVE PAYROLL						
Payroll per executive - All executives	43,849	53,684	17,928	9,458	25,285	28,586
Payroll per factory executive	29,013	32,867	14,182	11,350	14,417	18,602
Payroll per administrative executive	51,581	63,027	15,231	8,512	27,600	29,312
Payroll per sales executive	37,997	43,681	10,344	8,512	12,672	10,389
RECEIVABLES						
Collection period	56.3	54.1	31.1	37.7	47.9	40.6
PROFIT						
Gross profit percentage of sales	22.91%	28.30%	19.82%	21.23%	24.61%	30.52%
Average gross profit per factory employee	$ 21,725	$ 29,780	$ 17,103	$ 11,878	$ 17,949	$ 22,301
Income (loss) before taxes percentage of sales	3.15%	12.08%	(2.04)%	13.24%	2.61%	11.46%
Average income (loss) before taxes per employee	$ 2,452	$ 9,177	$ (577)	$ 6,421	$ 1,333	$ 5,293

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 25,244	$ 34,812	$ 32,247	$ 42,308	$ 40,994	$ 42,932	$ 47,197	$ 51,407
40,299	58,014	46,675	59,523	55,103	58,178	60,248	64,249
10,701	19,395	13,345	24,219	17,410	26,376	21,075	28,863
33,296	39,699	38,303	44,522	41,454	42,068	45,238	46,510
164.04%	335.68%	160.00%	225.08%	124.47%	193.14%	123.30%	156.54%
69.51%	71.73%	74.22%	76.01%	79.66%	78.08%	82.55%	83.72%
18.37	20.20	13.16	13.09	9.95	10.17	8.64	7.03
12.12	8.07	12.62	10.90	10.39	11.75	8.81	9.25
$ 53,167	$ 59,344	$ 64,848	$ 79,728	$ 74,713	$ 73,475	$ 86,353	$ 90,612
79,536	91,434	88,927	107,787	95,114	95,363	106,251	110,334
51,644	61,806	55,975	68,505	56,767	62,056	59,806	65,041
382,457	682,323	548,818	682,800	852,053	784,190	1,310,652	1,622,761
61,992	69,136	72,090	88,739	80,992	79,208	91,645	95,768
84,515	95,506	94,204	112,648	99,938	99,565	111,023	114,907
54,899	64,493	59,294	71,755	59,535	64,828	62,385	67,626
249,602	262,560	454,956	480,318	833,317	702,557	1,625,260	1,604,569
429%	358%	410%	380%	372%	315%	399%	355%
42.97%	38.24%	41.14%	35.49%	38.68%	37.99%	35.22%	33.19%
91.78	86.56	97.22	87.34	74.29	67.74	103.90	65.88
$ 22,302	$ 22,257	$ 25,926	$ 27,435	$ 28,076	$ 27,165	$ 29,010	$ 28,333
21,538	24,666	23,462	23,091	24,709	23,310	27,006	25,838
24,544	24,297	31,269	39,461	35,388	36,215	33,809	37,662
26,721	25,178	36,922	44,385	48,612	50,782	46,952	50,219
$ 17,901	$ 18,387	$ 20,400	$ 20,222	$ 21,731	$ 20,634	$ 22,957	$ 22,549
18,417	21,547	19,583	18,979	20,151	19,007	21,957	21,237
14,347	13,514	16,175	15,960	17,466	16,304	17,708	18,312
18,698	14,741	28,933	29,317	39,063	39,243	38,589	39,880
32,943	32,532	45,425	63,394	56,896	64,888	56,611	60,345
21,709	22,070	29,450	30,536	38,069	45,889	39,562	40,609
33,943	33,692	53,421	72,571	69,803	74,430	73,151	79,449
21,479	22,116	37,139	37,449	55,504	64,104	64,925	66,338
55.4	52.6	57.3	54.3	60.1	58.2	59.3	57.6
24.78%	29.22%	23.60%	30.28%	21.68%	28.87%	19.09%	24.33%
$ 21,505	$ 28,334	$ 22,843	$ 34,979	$ 22,174	$ 29,416	$ 21,400	$ 28,032
1.90%	11.78%	3.15%	12.90%	3.74%	11.20%	5.59%	12.05%
$ 1,242	$ 7,250	$ 2,416	$ 10,506	$ 2,899	$ 8,184	$ 5,036	$ 11,138

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Current Assets:						
Cash	$ 3.28	$ 6.65	$ 3.20	$ 1.24	$ 4.15	$ 6.39
Receivables	14.94	14.41	8.35	10.34	12.77	10.88
Inventories	6.24	6.08	6.06	5.09	4.91	3.84
Marketable securities	0.98	2.51	0.33	0.89	1.86	4.45
Other current assets	1.27	1.43	1.57	9.41	1.11	1.38
	26.71	31.08	19.51	26.97	24.80	26.94
Plant Investment:						
Land and building	6.26	6.76	8.65	44.49	4.37	3.07
Machinery and equipment	32.13	31.82	43.34	48.58	33.08	32.20
Other fixed assets	3.32	3.18	4.46	4.64	3.80	4.75
	41.71	41.76	56.45	97.71	41.25	40.02
Non-Current Assets	2.38	3.01	1.62	0.76	1.85	1.54
TOTAL INVESTMENT	70.80	75.85	77.58	125.44	67.90	68.50
INVESTMENT TURNOVER PER $100 OF SALES	141.24%	131.84%	128.90%	79.72%	147.28%	145.99%
EARNINGS						
Cost of Product	$77.09	$71.70	$80.18	$78.77	$75.39	$69.48
Selling Expenses	8.23	6.85	6.67	2.88	6.05	4.59
Administrative Expenses	10.19	9.19	12.21	3.99	14.67	14.08
	95.51	87.74	99.06	85.64	96.11	88.15
Income Before Interest, Other Income, and Taxes	4.49	12.26	0.94	14.36	3.89	11.85
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.34%	16.16%	1.21%	11.45%	5.73%	17.30%

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 3.82	$10.58	$ 3.20	$ 6.16	$ 3.34	$ 7.34	$ 2.13	$ 4.12
14.75	14.14	15.20	14.44	15.91	15.43	15.66	15.22
5.42	5.13	6.03	5.39	7.29	7.59	7.63	7.39
0.63	2.73	1.00	2.11	0.97	2.07	1.16	2.60
1.49	1.05	1.21	1.52	1.39	1.43	1.01	1.22
26.11	33.63	26.64	29.62	28.90	33.86	27.59	30.55
4.57	5.63	5.96	5.23	8.07	8.92	8.36	7.27
31.67	31.56	32.05	31.06	31.21	30.53	31.81	32.90
3.91	3.03	3.64	3.76	2.72	3.82	1.78	1.51
40.15	40.22	41.65	40.05	42.00	43.27	41.95	41.68
2.49	4.21	2.10	2.46	2.48	3.48	3.19	3.07
68.75	78.06	70.39	72.13	73.38	80.61	72.73	75.30
145.45%	128.11%	142.07%	138.64%	136.28%	124.05%	137.49%	132.80%
$75.22	$70.78	$76.40	$69.72	$78.32	$71.13	$80.91	$75.67
8.58	5.39	9.10	7.31	8.62	9.24	6.38	6.64
13.09	12.27	9.98	9.67	7.77	8.53	6.11	5.31
96.89	88.44	95.48	86.70	94.71	88.90	93.40	87.62
3.11	11.56	4.52	13.30	5.29	11.10	6.60	12.38
4.52%	14.81%	6.42%	18.44%	7.21%	13.77%	9.07%	16.44%

ABSOLUTE DATA

	AVERAGE FIRM REPORTING**			
	NUMBER OF PARTICIPATING FIRMS	TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL PRINTING FIRMS	884	$ 3,237,000	$ 5,989,000	$ 291,000
TOTAL - PROFIT LEADERS*	161	4,528,000	7,865,000	979,000
BY SIZE OF FIRM:				
ALL FIRMS				
0-$250,000	20	97,000	185,000	(3,000)
$250,000-$500,000	67	180,000	394,000	11,000
$500,000-$1,500,000	201	457,000	953,000	20,000
$1,500,000-$5,000,000	330	1,467,000	2,905,000	88,000
$5,000,000-$10,000,000	139	3,898,000	7,118,000	271,000
Over $10,000,000	127	13,622,000	24,605,000	1,461,000
PROFIT LEADERS				
0-$250,000	2	221,000	229,000	31,000
$250,000-$500,000	13	191,000	396,000	46,000
$500,000-$1,500,000	30	586,000	982,000	116,000
$1,500,000-$5,000,000	49	1,475,000	2,682,000	340,000
$5,000,000-$10,000,000	28	4,257,000	7,218,000	812,000
Over $10,000,000	39	13,258,000	23,019,000	2,923,000

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on Page 3.

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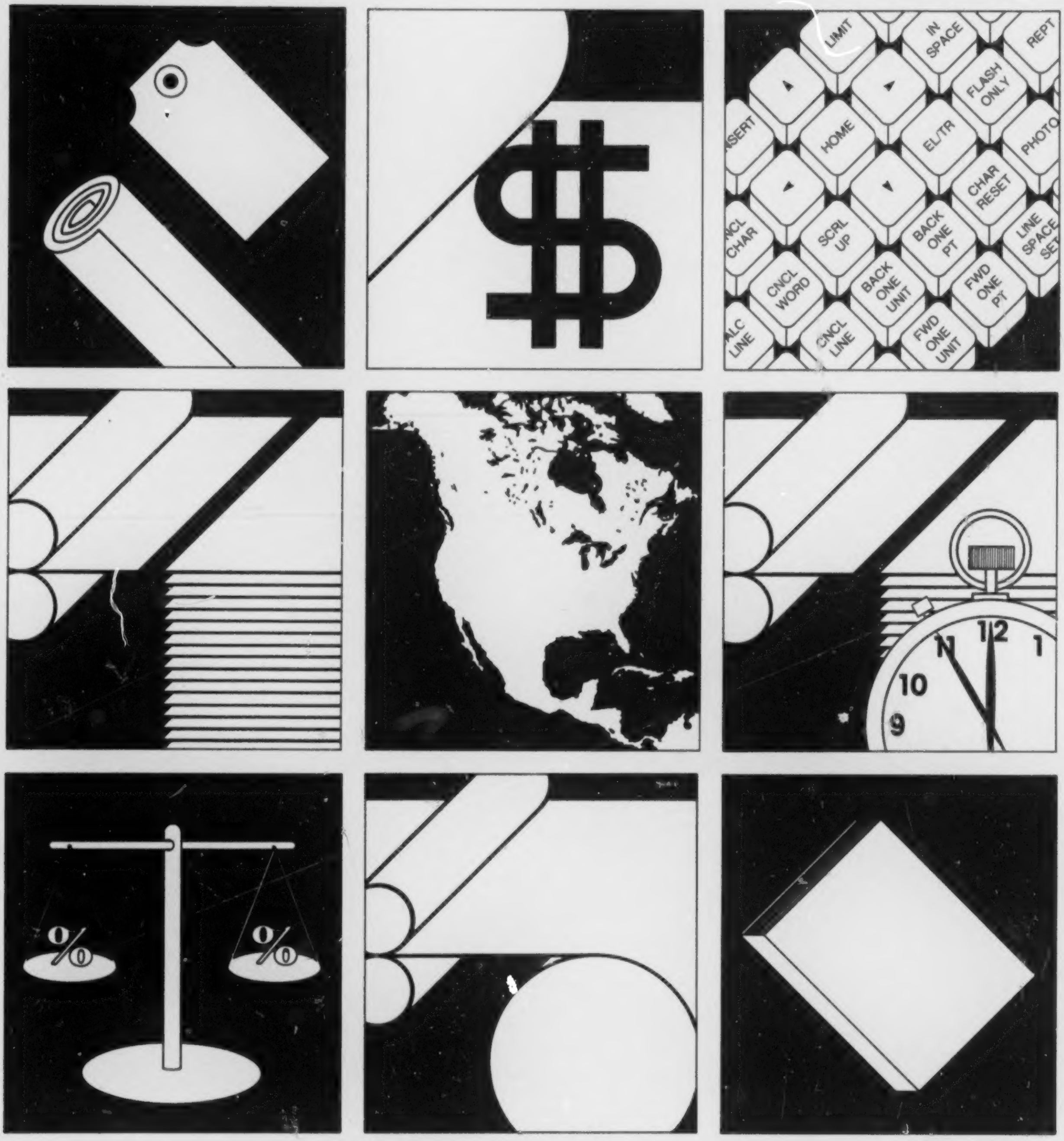
Printing
Industries of
America, Inc.

1983
Financial Ratios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Volume III

All Printers by Product Specialty

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management
  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

ALL PRINTERS BY PRODUCT SPECIALTY

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PRINTING INDUSTRIES OF AMERICA, INC.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

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Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

We are pleased to present to you PIA's 1983 Financial Ratio Studies. This year, a total of 884 firms representing various segments of the graphic arts industry in the United States and Canada participated in these studies by responding to PIA's questionnaire on financial performance. Among these respondents, 161 firms may be considered "Profit Leaders," earning eight percent or greater pretax profits on sales. Such widespread participation has made the annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the financial status of graphic arts firms according to product specialty -- for example, Commercial and Advertising, Magazine and Periodical, Newspaper, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms with the same product specialty in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Jim Olsen
Vice-President
Management Services
Printing Industries of America, Inc.
1730 North Lynn Street
Arlington, VA 22209 — (703) 841-8139

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HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	

62.2% divided by 3 = 20.7%

VALUE ADDED DEFINED

Value added is simply your sales less material costs, which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$ 23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services -- composition, offset preparation, printing, bindery, etc.

KNOWN BY OTHER TERMS

Value added is also known by such other terms as inside sales, conversion value, inside manufacturing value and real contribution to overhead and profit. Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

CONCEPTUAL UNDERSTANDING OF VALUE ADDED

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry.

Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the value added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

STATEMENT OF OPERATIONS -- VALUE ADDED: THE BETTER STATEMENT

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

ALL PRINTERS BY PRODUCT SPECIALTY

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	43.55	37.35	48.32	42.48	45.49	38.43
FACTORY EXPENSES	19.81	17.82	21.82	23.19	22.15	20.10
TOTAL FACTORY COST OF PRODUCT	63.36	55.17	70.14	65.67	67.64	58.53
GROSS PROFIT	36.64	44.83	29.86	34.33	32.36	41.47
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	16.49	14.70	11.70	9.92	14.98	11.24
Selling expenses	13.71	10.97	7.47	5.91	7.05	1.78
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	30.20	25.67	19.17	15.83	22.03	13.02
INCOME BEFORE INTEREST EXPENSE	6.44	19.16	10.69	18.50	10.33	28.45
Interest expense	3.47	1.90	4.02	3.69	3.33	3.36
OPERATING INCOME	2.97	17.26	6.67	14.81	7.00	25.09
Other income	1.21	1.74	1.68	2.45	2.73	1.32
INCOME BEFORE INCOME TAXES	4.18	19.00	8.35	17.26	9.73	26.41

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* See page 10 for the definition of "Profit Leaders".

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X	X	X
X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
45.40	46.69	45.94	46.08	45.29	37.17	45.87
17.46	14.89	20.43	18.40	20.68	18.24	21.65
62.86	61.58	66.37	64.48	65.97	55.41	67.52
37.14	38.42	33.63	35.52	34.03	44.59	32.48
13.13	11.85	11.85	10.53	15.71	14.45	10.96
11.70	10.86	4.93	5.73	10.82	11.78	14.92
24.83	22.71	16.78	16.26	26.53	26.23	25.88
12.31	15.71	16.85	19.26	7.50	18.36	6.60
2.75	2.82	2.67	3.34	3.09	2.47	1.82
9.56	12.89	14.18	15.92	4.41	15.89	4.78
0.68	1.46	1.66	1.85	1.22	2.48	1.80
10.24	14.35	15.84	17.77	5.63	18.37	6.58

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	3.18%	2.25%	2.68%	2.48%	2.11%	0.55%
Direct wages	30.28	26.53	30.97	28.78	32.82	30.29
General factory salaries and wages	2.90	2.44	5.54	3.52	1.98	0.77
Packing, shipping and delivery wages	1.36	1.22	1.20	0.96	2.44	0.85
Payroll taxes	2.67	2.22	3.01	2.31	2.29	0.94
Employee benefits	3.16	2.69	4.92	4.43	3.85	5.03
TOTAL FACTORY PAYROLL	43.55	37.35	48.32	42.48	45.49	38.43
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.40	0.27	0.59	0.50	0.54	0.60
Depreciation - other	4.91	5.03	5.71	7.04	5.58	9.45
Taxes - real estate	0.32	0.28	0.32	0.41	0.28	0.57
Taxes - other	0.31	0.18	0.30	0.35	0.25	0.01
Insurance	0.91	0.93	0.47	0.38	0.74	0.85
Building rent	2.40	2.05	1.12	1.26	1.18	0.57
Utilities - heat, light, etc.	1.89	1.64	2.68	2.72	1.35	1.40
Equipment rental	0.88	0.69	0.87	0.67	0.32	0.58
Total Fixed Expenses	12.02	11.07	12.06	13.33	10.24	14.03
Other Expenses						
Factory supplies and expense	3.04	2.43	4.79	5.03	3.82	2.32
Packing, shipping and delivery expense	1.67	1.53	1.33	1.31	4.92	0.83
Repairs and maintenance	2.07	1.96	2.35	2.28	2.60	2.77
Other factory expenses	1.01	0.83	1.29	1.24	0.57	0.15
Total Other Expenses	7.79	6.75	9.76	9.86	11.91	6.07
TOTAL FACTORY EXPENSES	19.81	17.82	21.82	23.19	22.15	20.10
ADMINISTRATIVE EXPENSES						
Salaries - executive	5.05	4.94	2.78	2.65	4.38	5.64
Salaries - office	4.10	3.21	2.83	2.54	3.20	1.43
Payroll taxes	0.55	0.44	0.35	0.27	0.46	0.22
Employee benefits	0.83	0.70	0.76	0.71	0.63	0.45
Bad debts	0.84	0.77	1.15	0.81	0.95	0.37
Office supplies and expenses	0.78	0.64	0.59	0.80	0.80	0.44
Professional fees	0.91	0.80	0.68	0.66	1.31	0.85
Taxes - business	0.27	0.31	0.16	0.16	0.27	0.14
Telephone	0.82	0.62	0.50	0.39	0.86	0.79
Other administrative expenses	2.34	2.27	1.90	0.93	2.12	0.91
TOTAL ADMINISTRATIVE EXPENSES	16.49	14.70	11.70	9.92	14.98	11.24
SELLING EXPENSES						
Salaries - executive	2.30	1.63	1.17	1.83	1.22	0.43
Salaries and commissions - salesmen	6.21	5.20	2.76	1.37	2.24	0.12
Salaries - sales office clerical	0.94	0.77	1.00	0.46	0.89	0.20
Payroll taxes	0.46	0.33	0.26	0.12	0.20	0.02
Employee benefits	0.51	0.45	0.44	0.30	0.28	0.18
Advertising	0.74	0.53	0.33	0.26	0.53	0.10
Travel and entertainment	1.49	1.20	0.65	0.52	0.60	0.20
Other selling expenses	1.06	0.86	0.86	1.05	1.09	0.53
TOTAL SELLING EXPENSES	13.71	10.97	7.47	5.91	7.05	1.78

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.02%	1.58%	3.55%	4.88%	3.04%	2.68%	2.02%
23.21	22.60	30.28	30.63	28.68	24.19	29.07
13.86	15.52	4.07	3.13	4.44	4.21	4.84
0.95	0.94	0.82	1.06	1.04	0.99	1.70
2.39	2.88	3.01	2.98	2.85	1.47	2.53
2.97	3.17	4.21	3.40	5.24	3.63	5.71
45.40	46.69	45.94	46.08	45.29	37.17	45.87
0.21	0.26	0.55	0.52	0.32	0.66	0.41
3.09	3.56	4.22	4.16	4.05	3.65	3.88
0.21	0.04	0.53	0.29	0.39	0.39	0.68
0.24	0.37	0.35	0.23	0.37	0.09	0.53
0.25	0.29	0.72	0.94	0.90	0.27	0.30
2.25	2.51	0.54	0.84	2.40	1.56	1.47
1.03	0.90	2.14	2.03	2.06	1.63	1.94
0.96	0.92	0.46	0.47	0.62	0.00	0.20
8.24	8.85	9.51	9.48	11.11	8.25	9.41
3.03	1.60	3.32	3.79	3.64	5.03	3.16
2.75	0.71	0.84	0.89	2.27	1.77	2.24
1.99	2.18	3.63	2.56	1.97	1.65	3.08
1.45	1.55	3.13	1.68	1.69	1.54	3.76
9.22	6.04	10.92	8.92	9.57	9.99	12.24
17.46	14.89	20.43	18.40	20.68	18.24	21.65
3.59	3.73	2.61	3.05	5.30	6.64	3.16
2.64	2.07	2.57	2.45	3.42	2.69	2.82
0.29	0.27	0.30	0.35	0.53	0.24	0.37
0.42	0.31	0.42	0.37	0.82	1.35	0.60
0.50	0.13	0.85	1.00	0.39	0.68	0.29
0.84	0.74	0.38	0.47	0.59	0.29	0.41
1.30	1.32	1.92	0.92	0.83	0.59	0.53
0.31	0.09	0.16	0.27	0.19	0.07	0.45
1.28	0.99	0.38	0.41	0.80	0.44	0.61
1.96	2.20	2.26	1.24	2.84	1.46	1.72
13.13	11.85	11.85	10.53	15.71	14.45	10.96
1.85	2.18	0.59	0.95	1.96	1.88	3.07
5.59	4.60	2.44	2.76	5.01	6.54	4.87
0.72	0.69	0.53	0.64	0.59	0.88	1.82
0.17	0.17	0.17	0.24	0.31	0.07	0.45
0.51	0.73	0.19	0.18	0.27	0.37	0.80
0.51	0.53	0.28	0.34	0.56	0.20	0.74
1.34	1.36	0.28	0.33	1.37	1.25	1.73
1.01	0.60	0.45	0.29	0.75	0.59	1.44
11.70	10.86	4.93	5.73	10.82	11.78	14.92

ALL PRINTERS BY PRODUCT SPECIALTY

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT						
MATERIAL						
Paper	22.39	22.00	27.57	24.35	33.87	33.77
Other chargeable materials	5.15	4.94	6.41	6.63	5.35	6.42
Outside services	8.81	7.73	4.46	4.26	4.02	2.53
TOTAL MATERIAL	36.35	34.67	38.44	35.24	43.24	42.72
FACTORY PAYROLL	27.70	24.38	29.72	27.48	25.38	22.96
FACTORY EXPENSES	12.58	11.70	13.48	15.06	12.74	11.49
TOTAL FACTORY COST OF PRODUCT	76.63	70.75	81.64	77.78	81.36	77.17
GROSS PROFIT	23.37	29.25	18.36	22.22	18.64	22.83
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	10.58	9.71	7.08	6.43	8.63	5.87
Selling expenses	8.68	7.17	4.68	4.00	4.59	1.07
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	19.26	16.88	11.76	10.43	13.22	6.94
INCOME BEFORE INTEREST EXPENSE	4.11	12.37	6.60	11.79	5.42	15.89
Interest expense	2.17	1.24	2.43	2.35	1.82	2.13
OPERATING INCOME	1.94	11.13	4.17	9.44	3.60	13.76
Other income	0.76	1.09	0.99	1.54	1.51	0.84
INCOME BEFORE INCOME TAXES	2.70	12.22	5.16	10.98	5.11	14.60

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS						
Ink	1.61%	2.01%	3.84%	4.33%	2.22%	1.42%
Film	1.12	1.00	0.97	0.95	1.33	2.40
Plates	1.26	1.16	0.95	0.58	1.21	1.47
Other chargeable materials	1.16	0.77	0.65	0.77	0.59	1.13
TOTAL OTHER CHARGEABLE MATERIALS	5.15	4.94	6.41	6.63	5.35	6.42
OUTSIDE SERVICES						
Composition	0.98	0.79	0.22	0.13	0.50	0.41
Offset preparation	1.64	1.49	1.06	0.76	0.37	0.09
Printing	2.27	1.67	1.02	1.78	2.79	1.74
Binding	2.09	2.01	1.43	0.62	0.09	0.07
Other outside services	1.83	1.77	0.73	0.97	0.27	0.22
TOTAL OUTSIDE SERVICES	8.81	7.73	4.46	4.26	4.02	2.53

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.
*** Information not submitted.

FINANCIAL		CATALOG AND DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
10.43	9.36	36.30	28.48	26.97	31.79	27.91
5.91	8.97	6.40	5.78	5.94	3.01	3.23
9.09	8.91	2.02	1.77	3.84	3.13	9.03
25.43	27.24	44.72	36.03	36.75	37.93	40.17
33.75	34.03	25.73	30.14	28.97	23.81	27.29
13.05	10.70	10.86	11.37	12.67	11.01	13.12
72.23	71.97	81.31	77.54	78.39	72.75	80.58
27.77	28.03	18.69	22.46	21.61	27.25	19.42
9.73	8.35	6.58	6.94	9.93	8.82	6.69
8.74	7.89	2.94	3.91	6.76	7.14	9.05
18.47	16.24	9.52	10.85	16.69	15.96	15.74
9.30	11.79	9.17	11.61	4.92	11.29	3.68
2.13	2.21	1.28	1.66	2.00	1.50	1.11
7.17	9.58	7.89	9.95	2.92	9.79	2.57
0.28	0.67	0.98	1.24	0.79	1.69	1.14
7.45	10.25	8.87	11.19	3.71	11.48	3.71

1.77%		1.24%	0.65%	2.97%	1.35%	2.89%
2.69		1.02	1.51	0.68	0.27	0.00
1.45		0.95	0.86	0.78	0.94	0.24
0.00		3.19	2.76	1.51	0.45	0.10
5.91	***	6.40	5.78	5.94	3.01	3.23
0.14		0.70	0.78	0.93	0.13	0.05
0.73		0.12	0.13	0.51	0.16	0.56
4.32		0.73	0.33	1.36	2.64	1.10
2.12		0.46	0.52	0.30	0.19	0.17
1.78		0.01	0.01	0.74	0.01	7.15
9.09	***	2.02	1.77	3.84	3.13	9.03

ALL PRINTERS BY PRODUCT SPECIALTY

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	2.04%	1.48%	1.66%	1.64%	1.09%	0.35%
Direct wages	19.25	17.32	19.04	18.72	18.46	18.16
General factory salaries and wages	1.85	1.61	3.42	2.23	1.07	0.49
Packing, shipping and delivery wages	0.86	0.78	0.73	0.63	1.29	0.54
Payroll taxes	1.71	1.46	1.85	1.49	1.25	0.49
Employee benefits	1.99	1.73	3.02	2.77	2.22	2.93
TOTAL FACTORY PAYROLL	27.70	24.38	29.72	27.48	25.38	22.96
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.25	0.18	0.35	0.34	0.33	0.38
Depreciation - other	3.12	3.28	3.51	4.53	3.14	5.51
Taxes - real estate	0.20	0.18	0.20	0.26	0.16	0.32
Taxes - other	0.19	0.12	0.19	0.23	0.15	0.00
Insurance	0.58	0.62	0.27	0.24	0.40	0.46
Building rent	1.55	1.37	0.70	0.86	0.64	0.29
Utilities - heat, light, etc.	1.19	1.06	1.62	1.73	0.75	0.74
Equipment rental	0.58	0.47	0.55	0.47	0.17	0.28
Total Fixed Expenses	7.66	7.28	7.39	8.66	5.74	7.98
Other Expenses						
Factory supplies and expense	1.93	1.56	2.99	3.32	2.15	1.35
Packing, shipping and delivery expense	1.05	0.99	0.83	0.88	3.18	0.44
Repairs and maintenance	1.30	1.28	1.44	1.43	1.39	1.63
Other factory expenses	0.64	0.59	0.83	0.77	0.28	0.09
Total Other Expenses	4.92	4.42	6.09	6.40	7.00	3.51
TOTAL FACTORY EXPENSES	12.58	11.70	13.48	15.06	12.74	11.49
ADMINISTRATIVE EXPENSES						
Salaries - executive	3.24	3.27	1.67	1.73	2.37	2.74
Salaries - office	2.64	2.13	1.74	1.60	1.92	0.83
Payroll taxes	0.35	0.29	0.21	0.17	0.28	0.11
Employee benefits	0.53	0.46	0.47	0.46	0.39	0.29
Bad debts	0.54	0.50	0.63	0.56	0.56	0.23
Office supplies and expenses	0.50	0.42	0.36	0.51	0.48	0.23
Professional fees	0.58	0.52	0.42	0.45	0.77	0.45
Taxes - business	0.18	0.20	0.10	0.10	0.15	0.09
Telephone	0.52	0.41	0.31	0.25	0.52	0.44
Other administrative expenses	1.50	1.51	1.17	0.60	1.19	0.46
TOTAL ADMINISTRATIVE EXPENSES	10.58	9.71	7.08	6.43	8.63	5.87
SELLING EXPENSES						
Salaries - executive	1.46	1.06	0.76	1.22	0.77	0.28
Salaries and commissions - salesmen	3.93	3.35	1.69	0.95	1.44	0.05
Salaries - sales office clerical	0.60	0.52	0.62	0.32	0.65	0.13
Payroll taxes	0.29	0.22	0.16	0.08	0.14	0.01
Employee benefits	0.32	0.29	0.28	0.20	0.19	0.11
Advertising	0.48	0.36	0.20	0.17	0.36	0.06
Travel and entertainment	0.93	0.79	0.41	0.35	0.35	0.10
Other selling expenses	0.67	0.58	0.56	0.71	0.69	0.33
TOTAL SELLING EXPENSES	8.68	7.17	4.68	4.00	4.59	1.07

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
1.57%	1.22%	2.20%	3.35%	1.87%	1.71%	1.23%
17.14	16.20	16.83	19.77	18.18	16.15	16.97
10.26	11.38	2.28	2.22	2.99	2.32	3.06
0.68	0.61	0.49	0.72	0.63	0.60	1.03
1.80	2.13	1.68	1.95	1.81	0.87	1.56
2.30	2.49	2.25	2.13	3.49	2.16	3.44
33.75	34.03	25.73	30.14	28.97	23.81	27.29
0.17	0.22	0.27	0.28	0.20	0.42	0.27
2.24	2.52	2.28	2.59	2.54	2.25	2.35
0.16	0.03	0.28	0.19	0.24	0.25	0.40
0.19	0.29	0.17	0.14	0.26	0.05	0.33
0.18	0.21	0.42	0.60	0.57	0.16	0.19
1.58	1.67	0.35	0.57	1.54	0.94	0.82
0.77	0.67	1.11	1.20	1.28	0.99	1.18
0.77	0.74	0.27	0.32	0.38	0.00	0.11
6.06	6.35	5.15	5.89	7.01	5.06	5.65
2.32	1.26	1.86	2.46	2.13	2.93	1.90
2.19	0.49	0.46	0.55	1.30	1.09	1.38
1.42	1.51	1.93	1.66	1.20	1.04	1.91
1.06	1.09	1.46	0.81	1.03	0.89	2.28
6.99	4.35	5.71	5.48	5.66	5.95	7.47
13.05	10.70	10.86	11.37	12.67	11.01	13.12
2.62	2.65	1.50	2.00	3.32	3.69	1.93
1.88	1.31	1.46	1.63	2.19	1.89	1.72
0.23	0.21	0.17	0.24	0.34	0.14	0.23
0.33	0.25	0.21	0.22	0.49	0.75	0.36
0.40	0.10	0.48	0.61	0.25	0.46	0.17
0.61	0.50	0.24	0.33	0.36	0.18	0.24
0.96	0.92	1.01	0.62	0.53	0.40	0.33
0.25	0.07	0.10	0.18	0.12	0.05	0.28
0.99	0.72	0.22	0.28	0.50	0.28	0.38
1.46	1.62	1.19	0.83	1.83	0.98	1.05
9.73	8.35	6.58	6.94	9.93	8.82	6.69
1.47	1.77	0.38	0.64	1.29	1.16	1.79
4.04	3.05	1.44	1.85	3.09	3.91	2.97
0.57	0.57	0.34	0.48	0.34	0.54	1.09
0.13	0.13	0.11	0.17	0.20	0.04	0.29
0.41	0.60	0.10	0.12	0.17	0.23	0.48
0.39	0.42	0.17	0.24	0.37	0.15	0.47
0.93	0.86	0.17	0.22	0.86	0.73	1.07
0.80	0.49	0.23	0.19	0.44	0.38	0.89
8.74	7.89	2.94	3.91	6.76	7.14	9.05

ALL PRINTERS BY PRODUCT SPECIALTY

BALANCE SHEET

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS						
CURRENT ASSETS						
Cash	6.73%	12.04%	4.20%	7.44%	6.55%	12.26%
Receivables	31.99	27.07	27.50	19.03	27.38	23.44
Inventories	12.17	10.10	14.36	10.38	7.93	5.73
Other current assets	4.44	7.70	4.92	7.01	2.58	4.24
TOTAL CURRENT ASSETS	55.33	56.91	50.98	43.86	44.44	45.67
FIXED ASSETS						
Real estate	9.68	8.47	14.18	12.54	23.97	20.41
Less: Accumulated depreciation	3.13	2.25	4.18	2.59	5.13	5.68
	6.55	6.22	10.00	9.95	18.84	14.73
Machinery and equipment	66.68	59.78	70.53	66.70	57.81	75.12
Less: Accumulated depreciation	36.54	31.00	36.40	26.80	28.72	39.38
	30.14	28.78	34.13	39.90	29.09	35.74
Other fixed assets	7.69	6.73	3.55	2.45	3.57	2.23
Less: Accumulated depreciation	4.12	3.36	1.78	1.16	1.85	1.17
	3.57	3.37	1.77	1.29	1.72	1.06
NET FIXED ASSETS	40.26	38.37	45.90	51.14	49.65	51.53
OTHER ASSETS	4.41	4.72	3.12	5.00	5.91	2.80
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes payable	8.76	4.81	6.98	5.32	10.70	0.25
Accounts payable	14.11	9.74	13.03	10.34	14.18	18.34
Other current liabilities	9.09	9.19	8.03	5.97	6.83	9.02
TOTAL CURRENT LIABILITIES	31.96	23.74	28.04	21.63	31.71	27.61
LONG-TERM LIABILITIES	26.99	18.67	30.17	28.92	28.22	31.02
TOTAL LIABILITIES	58.95	42.41	58.21	50.55	59.93	58.63
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.05	57.59	41.79	49.45	40.07	41.37
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.73	2.40	1.82	2.03	1.40	1.65
QUICK RATIO	1.35	1.97	1.31	1.55	1.15	1.45
TOTAL LIABILITIES TO EQUITY	1.44	0.74	1.39	1.02	1.50	1.42
LONG-TERM LIABILITIES TO EQUITY	0.66	0.32	0.72	0.58	0.70	0.75
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.55	0.52	0.52	0.40	0.50	0.52

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
9.68%	16.31%	8.39%	18.63%	5.94%	14.06%	4.41%
39.72	36.99	26.47	27.34	29.79	19.90	29.35
13.32	12.83	15.01	15.57	19.74	16.87	25.29
4.68	7.06	2.81	2.33	1.89	1.11	0.88
67.40	73.19	52.68	63.87	57.36	51.94	59.93
6.21	3.70	14.15	11.90	14.10	27.92	12.12
1.94	2.61	4.37	3.36	4.35	6.38	6.71
4.27	1.09	9.78	8.54	9.75	21.54	5.41
49.83	46.03	58.71	53.31	64.74	47.52	66.12
28.46	25.58	28.35	32.90	38.51	22.91	39.20
21.37	20.45	30.36	20.41	26.23	24.61	26.92
1.01	0.96	4.03	6.62	5.49	1.86	5.20
0.41	0.54	2.58	4.42	2.21	0.40	2.73
0.60	0.42	1.45	2.20	3.28	1.46	2.47
26.24	21.96	41.59	31.15	39.26	47.61	34.80
6.36	4.85	5.73	4.98	3.38	0.45	5.27
100.00	100.00	100.00	100.00	100.00	100.00	100.00
13.42	12.27	2.19	2.08	5.22	5.04	2.26
12.26	4.91	8.73	8.76	10.49	5.42	8.57
14.50	10.28	6.70	7.65	12.02	13.98	7.61
40.18	27.46	17.62	18.49	27.73	24.44	18.44
12.31	15.20	26.65	14.93	26.52	20.53	15.55
52.49	42.66	44.27	33.42	54.25	44.97	33.99
47.51	57.34	55.73	66.58	45.75	55.03	66.01
100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.68	2.67	2.99	3.45	2.07	2.13	3.25
1.35	2.20	2.14	2.61	1.36	1.43	1.88
1.10	0.74	0.79	0.50	1.19	0.82	0.51
0.26	0.27	0.48	0.22	0.58	0.37	0.24
0.57	0.56	0.48	0.62	0.59	0.48	0.59

ALL PRINTERS BY PRODUCT SPECIALTY

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Average assets per employee - All employees	$ 32,020	$ 40,584	$ 39,671	$ 50,697	$ 44,170	$ 50,666
Average assets per factory employee (Excluding Executives)	46,652	58,262	48,203	60,695	56,710	58,028
Average net worth per employee - All employees	13,253	23,234	16,635	26,001	16,860	19,637
Average gross plant investment per factory employee (Excluding Executives)	37,842	43,065	40,283	48,601	45,747	56,368
Net worth percentage of fixed assets	146.35%	216.51%	105.66%	107.26%	96.14%	82.86%
EMPLOYEES						
Percent factory - All employees	73.81%	75.17%	85.52%	87.50%	80.01%	87.91%
Percent administrative - All employees	14.42	14.50	9.06	8.95	12.32	10.62
Percent sales - All employees	11.77	10.33	5.42	3.55	7.67	1.47
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES						
Sales per employee - All employees	$ 63,817	$ 73,933	$ 71,805	$ 73,871	$ 84,113	$ 112,472
Sales per factory employee	87,798	100,929	84,394	85,194	105,222	130,572
Sales less material per factory employee	54,775	64,855	50,570	54,115	56,637	69,263
Sales per administrative employee	604,701	898,520	939,145	1,066,917	875,761	1,034,421
EXCLUDING EXECUTIVES						
Sales per employee - All employees	71,917	81,776	76,638	78,376	91,798	122,415
Sales per factory employee	93,422	105,269	87,795	88,167	109,180	131,606
Sales less material per factory employee	58,336	67,699	52,549	55,999	58,556	69,918
SALES PER SALESMAN	551,606	646,629	2,544,296	2,648,906	742,794	0
SALES TO CURRENT ASSETS	445%	371%	408%	364%	490%	491%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES						
Total payroll percentage of sales	41.06%	35.97%	37.31%	34.20%	33.52%	27.52%
Factory payroll percentage of gross plant investment	95.56	70.28	69.57	51.84	59.40	43.57
Payroll per employee - All employees	$ 25,219	$ 25,636	$ 25,772	$ 24,807	$ 24,712	$ 27,374
Payroll per factory employee	23,197	24,030	24,334	23,045	23,196	24,244
Payroll per administrative employee	29,419	31,976	32,757	36,494	32,012	42,381
Payroll per sales employee	35,436	38,364	47,214	58,871	24,876	21,371
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES						
Payroll per employee - All employees	$ 19,998	$ 20,324	$ 20,179	$ 18,919	$ 19,453	$ 19,826
Payroll per factory employee	19,448	20,249	19,931	18,839	19,569	20,002
Payroll per administrative employee	15,539	15,452	17,432	17,218	15,877	16,219
Payroll per sales employee	27,521	29,243	32,927	25,773	18,783	13,973
EXECUTIVE PAYROLL						
Payroll per executive - All executives	43,167	50,030	53,850	65,984	42,008	53,538
Payroll per factory executive	28,502	31,605	35,107	44,573	27,784	16,901
Payroll per administrative executive	50,783	57,545	68,041	87,772	48,146	52,810
Payroll per sales executive	37,099	40,323	56,941	84,602	33,749	13,818
RECEIVABLES						
Collection period	56.1	52.3	53.7	48.9	55.2	52.7
PROFIT						
Gross profit percentage of sales	23.37%	29.25%	18.36%	22.22%	18.64%	22.83%
Average gross profit per factory employee	$ 22,166	$ 30,944	$ 15,707	$ 19,234	$210,897	$ 31,233
Income before taxes percentage of sales	2.70%	12.22%	5.16%	10.98%	5.11%	14.60%
Average income before taxes per employee	$ 2,108	$ 9,273	$ 3,843	$ 8,067	$ 5,562	$ 16,836

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 33,632	$ 44,910	$ 63,057	$ 42,682	$ 36,088	$ 53,051	$ 31,850
44,024	56,976	76,077	51,309	51,991	74,514	42,014
18,283	27,116	30,937	29,725	15,367	27,906	20,984
24,950	30,016	59,505	37,530	42,047	55,994	32,141
241.69%	317.96%	153.66%	214.26%	133.09%	134.02%	214.01%
78.79%	82.44%	86.82%	86.67%	76.10%	75.23%	79.14%
11.58	10.25	7.89	7.64	13.50	13.38	8.24
9.63	7.31	5.29	5.69	10.40	11.39	[illegible].62
$ 62,217	$ 70,781	$ 87,583	$ 79,637	$ 66,692	$ 79,644	$ 68,377
79,261	86,432	101,337	90,948	90,510	111,854	86,218
58,782	62,733	52,129	53,573	55,439	65,509	50,900
702,246	919,556	1,245,799	1,201,432	850,439	704,299	885,228
68,922	78,538	93,143	86,087	75,886	91,505	73,161
82,557	88,915	105,479	96,461	97,489	115,647	88,967
61,364	64,668	54,449	56,970	59,648	67,834	52,576
285,000	320,000	1,476,605	618,459	704,081	422,523	1,110,220
334%	227%	326%	320%	377%	318%	402%
45.43%	44.57%	31.45%	37.50%	40.41%	36.19%	38.13%
159.06	116.90	65.10	91.85	72.66	41.38	82.35
$ 28,541	$ 31,964	$ 24,512	$ 25,775	$ 25,454	$ 27,061	$ 25,576
26,964	29,677	23,145	24,114	23,457	21,329	23,320
30,066	35,096	32,737	35,958	29,614	37,842	32,437
47,946	61,984	37,662	46,885	31,640	41,214	36,572
$ 23,755	$ 25,978	$ 18,910	$ 19,809	$ 19,107	$ 19,543	$ 19,466
23,265	25,260	18,390	19,210	18,564	17,347	18,729
16,473	18,163	17,782	17,663	14,897	12,556	18,969
29,940	32,224	33,706	42,267	23,489	38,675	25,211
44,559	52,297	40,255	52,594	37,842	51,493	54,622
24,124	17,342	34,352	45,480	23,701	30,639	48,934
44,268	49,522	53,485	74,795	42,893	55,854	50,179
36,277	42,017	29,642	41,213	33,187	44,819	69,963
70.0	78.7	66.2	54.7	55.3	53.7	48.6
27.77%	28.03%	18.69%	22.46%	21.61%	27.25%	19.42%
$ 22,940	$ 24,704	$ 19,041	$ 20,638	$ 21,978	$ 33,386	$ 17,245
7.45%	10.25%	8.87%	11.19%	3.71%	11.48%	3.71%
$ 4,930	$ 7,327	$ 7,331	$ 8,404	$ 2,618	$ 8,611	$ 2,949

ALL PRINTERS BY PRODUCT SPECIALTY

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL		NEWSPAPER	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Current Assets:						
Cash	$ 3.27	$ 6.57	$ 2.56	$ 5.40	$ 2.90	$ 4.13
Receivables	14.92	14.01	14.14	12.84	14.25	13.18
Inventories	5.73	5.10	7.18	6.96	4.30	3.60
Marketable securities	1.08	3.06	1.32	3.33	0.69	0.95
Other current assets	1.31	1.49	1.52	1.90	0.77	1.38
	26.31	30.23	26.72	30.43	22.91	23.24
Plant Investment:						
Land and building	5.78	5.76	8.02	8.83	13.23	12.19
Machinery and equipment	32.13	32.06	37.18	45.00	30.92	39.71
Other fixed assets	3.54	3.41	1.80	1.60	1.79	0.91
	41.45	41.23	47.00	55.43	45.94	52.81
Non-Current Assets	2.40	3.27	1.90	3.30	4.14	2.24
TOTAL INVESTMENT	70.16	74.73	75.62	89.16	72.99	78.29
INVESTMENT TURNOVER PER $100 OF SALES	142.53%	133.82%	132.24%	112.16%	137.01%	127.73%
EARNINGS						
Cost of Product	$76.63	$70.75	$81.64	$77.78	$81.36	$77.17
Selling Expenses	8.68	7.17	4.68	4.00	4.59	1.07
Administrative Expenses	10.58	9.71	7.08	6.43	8.63	5.87
	95.89	87.63	93.40	88.21	94.58	84.11
Income Before Interest, Other Income and Taxes	4.11	12.37	6.60	11.79	5.42	15.89
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	5.86%	16.55%	8.73%	13.22%	7.43%	20.30%

** Sample insufficient for Profit Leaders.

FINANCIAL		CATALOG AND DIRECTORY		LABEL		PACKAGING**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 7.57	$13.04	$ 4.26	$10.75	$ 3.63	$11.68	$ 1.76
18.72	21.27	17.51	14.23	14.95	14.42	13.15
7.36	8.71	9.64	7.92	9.95	11.52	11.61
0.00	0.00	0.14	0.03	0.14	0.00	0.00
2.59	4.12	1.79	1.16	0.76	0.48	0.42
36.24	47.14	33.34	34.09	29.43	38.10	26.94
2.90	2.52	10.32	6.92	9.73	22.97	5.60
26.18	29.95	41.83	28.72	32.08	32.53	28.80
0.45	0.53	2.04	3.06	2.51	1.49	2.32
29.53	33.00	54.19	38.70	44.32	56.99	36.72
2.94	2.82	4.46	2.29	2.64	0.33	2.61
68.71	82.96	91.99	75.08	76.39	95.42	66.27
145.54%	120.45%	108.71%	133.19%	130.91%	104.80%	150.90%
$72.23	$71.97	$81.31	$77.54	$78.39	$72.75	$80.58
8.74	7.89	2.94	3.91	6.76	7.14	9.05
9.73	8.35	6.58	6.94	9.93	8.82	6.69
90.70	88.21	90.83	88.39	95.08	88.71	96.32
9.30	11.79	9.17	11.61	4.92	11.29	3.68
13.54%	14.21%	9.97%	15.46%	6.44%	11.83%	5.55%

ABSOLUTE DATA

		AVERAGE FIRM REPORTING**		
	NUMBER OF PARTICIPATING FIRMS	TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL PRINTING FIRMS	884	$ 3,237,000	$ 5,989,000	$ 291,000
TOTAL - PROFIT LEADERS*	161	4,528,000	7,865,000	979,000
ALL PRINTERS BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	695	2,361,000	4,463,000	185,000
Magazine and Periodical	46	11,123,000	20,783,000	1,359,000
Newspaper	14	5,003,000	9,248,000	439,000
Financial	7	2,004,000	4,321,000	282,000
Catalog and Directory	9	20,472,000	27,931,000	1,772,000
Label	26	3,682,000	5,840,000	276,000
Packaging	4	3,519,000	7,705,000	328,000
Book	31	4,660,000	8,513,000	547,000
Business Forms Manufacturers	26	2,886,000	6,250,000	359,000
No Predominant Product	26	4,302,000	8,317,000	269,000
PROFIT LEADERS				
Commercial and Advertising	106	3,465,000	6,307,000	828,000
Magazine and Periodical	14	13,071,000	19,981,000	2,321,000
Newspaper	3	1,267,000	2,653,000	392,000
Financial	4	1,975,000	3,399,000	352,000
Catalog and Directory	5	4,745,000	8,435,000	986,000
Label	5	5,489,000	7,459,000	809,000
Packaging	1	6,177,000	12,049,000	1,043,000
Book	9	7,593,000	12,275,000	1,574,000
Business Forms Manufacturers	8	3,059,000	7,218,000	802,000
No Predominant Product	6	2,807,000	6,126,000	686,000

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See Page 3 for explanatory note.

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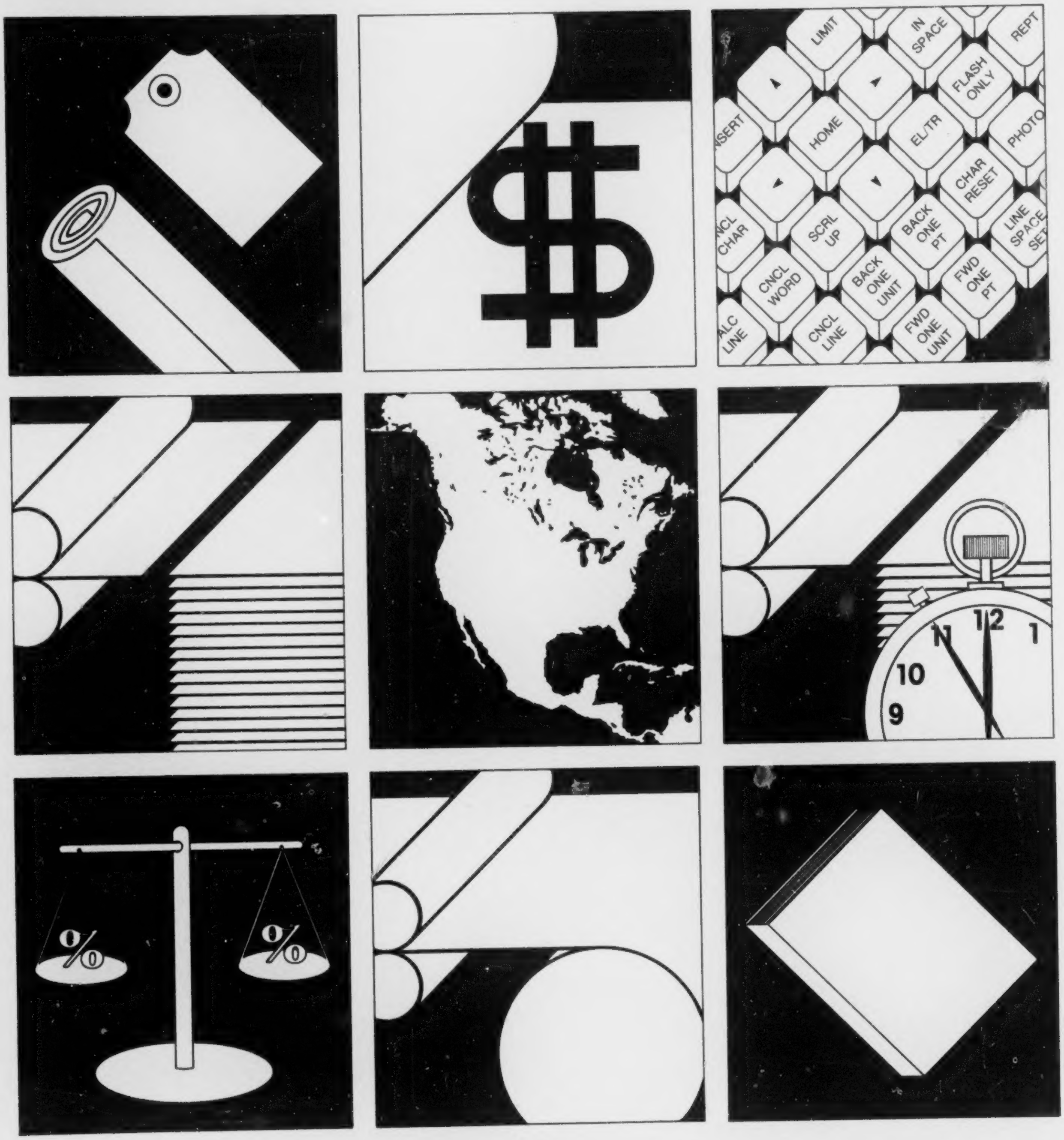
1983 Financial Ratios

Printing
Industries of
America, Inc.


LIMIT
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CNCL WORD
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FWD ONE PT
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12
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Volume IV

All Printers by Geographic Area

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management
  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

ALL PRINTERS BY GEOGRAPHIC REGION

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PRINTING INDUSTRIES OF AMERICA, INC.

Management Services Department
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Arlington, Virginia 22209

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Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices.
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

We are pleased to present to you PIA's 1983 Financial Ratio Studies. This year, a total of 884 firms representing various segments of the graphic arts industry in the United States and Canada participated in these studies by responding to PIA's questionnaire on financial performance. Such widespread participation has made the annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the financial status of graphic arts firms according to geographic area -- for example, New England and Up-State New York, Metropolitan New York and New Jersey, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms located in the same geographic area in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Jim Olsen
Vice-President
Management Services
Printing Industries of America, Inc.
1730 North Lynn Street
Arlington, VA 22209 — (703) 841-8139

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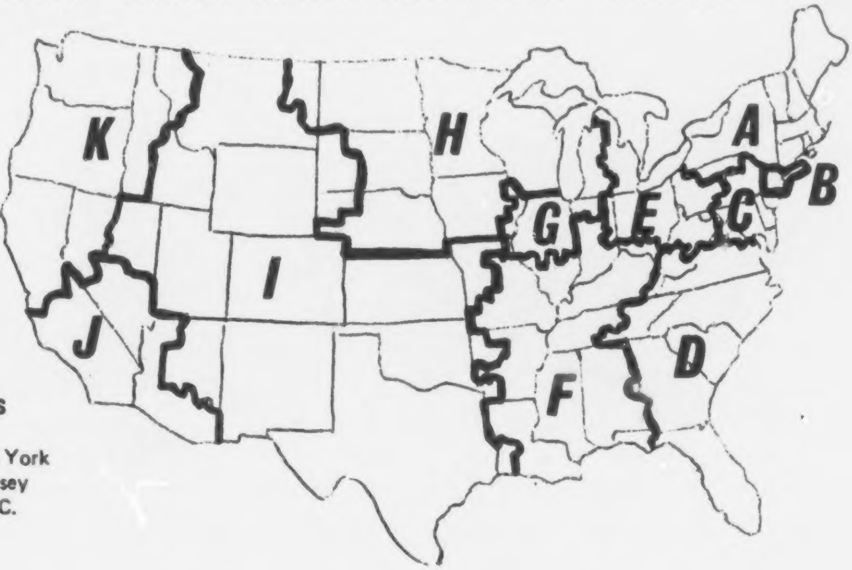

CONSOLIDATED REGIONS

A. New England and Up-state New York
B. Metropolitan New York and Jersey
C. Eastern Penn., Maryland and D.C.
D. Southeast Atlantic
E. East North Central
F. South Central
G. Chicago Area
H. West North Central
I. Plains and Mountain States
J. Pacific Southwest
K. Pacific Northwest

VALUE ADDED -- WHAT IT MEANS TO YOU

VALUE ADDED DEFINED

Value added is simply your sales less material costs, which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$ 23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services -- composition, offset preparation, printing, bindery, etc.

KNOWN BY OTHER TERMS

Value added is also known by such other terms as inside sales, conversion value, inside manufacturing value and real contribution to overhead and profit. Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

CONCEPTUAL UNDERSTANDING OF VALUE ADDED

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry.

Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the value added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

STATEMENT OF OPERATIONS -- VALUE ADDED: THE BETTER STATEMENT

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

ALL PRINTERS BY GEOGRAPHIC REGION

REPORT ON OPERATIONS - VALUE ADDED = 100%

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.55	40.00	45.50
FACTORY EXPENSES	20.55	19.29	19.83
TOTAL FACTORY COST OF PRODUCT	66.10	59.29	65.33
GROSS PROFIT	33.90	40.71	34.67
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	15.74	16.62	15.28
Selling expenses	12.54	14.39	12.42
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	28.28	31.01	27.70
INCOME BEFORE INTEREST EXPENSE	5.62	9.70	6.97
Interest expense	3.26	4.32	2.70
OPERATING INCOME	2.36	5.38	4.27
Other income	1.09	1.45	1.15
INCOME BEFORE INCOME TAXES	3.45	6.83	5.42

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
X	X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
43.15	47.18	43.05	44.21	45.12	42.30	41.59	43.90	44.20
20.76	18.93	20.31	20.32	19.23	21.03	21.40	20.85	18.14
63.91	66.11	63.36	64.53	64.35	63.33	62.99	64.75	62.34
36.09	33.89	36.64	35.47	35.65	36.67	37.01	35.25	37.66
15.91	14.67	16.56	14.12	15.15	16.90	18.38	17.10	15.36
13.29	12.58	14.00	14.01	12.83	12.65	12.17	12.85	13.21
29.20	27.25	30.56	28.13	27.98	29.55	30.55	29.95	28.57
6.89	6.64	6.08	7.34	7.67	7.12	6.46	5.30	9.09
3.44	3.39	3.03	2.44	3.54	3.14	3.65	4.00	4.35
3.45	3.25	3.05	4.90	4.13	3.98	2.81	1.30	4.74
0.93	1.24	1.61	0.58	1.12	1.48	1.12	1.98	1.66
4.38	4.49	4.66	5.48	5.25	[illegible]46	3.93	3.28	6.40

ALL PRINTERS BY GEOGRAPHIC REGION

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
FACTORY PAYROLL			
Salaries - executive	3.58%	3.00%	2.51%
Direct wages	30.83	26.15	30.02
General factory salaries and wages	3.08	3.73	4.13
Packing, shipping and delivery wages	1.41	0.84	1.73
Payroll taxes	3.08	2.70	3.06
Employee benefits	3.57	3.58	4.05
TOTAL FACTORY PAYROLL	45.55	40.00	45.50
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.37	0.37	0.46
Depreciation - other	4.84	6.04	3.99
Taxes - real estate	0.39	0.31	0.34
Taxes - other	0.20	0.05	0.15
Insurance	0.91	1.12	1.07
Building rent	2.18	2.13	1.95
Utilities - heat, light, etc.	2.29	2.56	2.28
Equipment rental	0.73	0.15	0.61
Total Fixed Expenses	11.91	12.73	10.85
Other Expenses			
Factory supplies and expense	3.72	2.48	3.71
Packing, shipping and delivery expense	1.72	1.00	1.97
Repairs and maintenance	2.15	2.35	2.05
Other factory expenses	1.05	0.73	1.25
Total Other Expenses	8.64	6.56	8.98
TOTAL FACTORY EXPENSES	20.55	19.29	19.83
ADMINISTRATIVE EXPENSES			
Salaries - executive	4.48	5.06	4.42
Salaries - office	4.25	4.06	3.98
Payroll taxes	0.63	0.57	0.60
Employee benefits	0.95	1.12	0.90
Bad debts	0.57	0.46	0.41
Office supplies and expenses	0.78	0.62	0.79
Professional fees	0.79	1.08	0.98
Taxes - business	0.17	0.21	0.24
Telephone	0.81	0.66	0.83
Other administrative expenses	2.31	2.78	2.13
TOTAL ADMINISTRATIVE EXPENSES	15.74	16.62	15.28
SELLING EXPENSES			
Salaries - executive	1.67	1.56	2.46
Salaries and commissions - salesmen	5.75	6.01	5.21
Salaries - sales office clerical	1.05	1.39	0.83
Payroll taxes	0.48	0.62	0.48
Employee benefits	0.57	0.45	0.55
Advertising	0.47	0.82	0.54
Travel and entertainment	1.58	1.26	1.25
Other selling expenses	0.97	2.28	1.10
TOTAL SELLING EXPENSES	12.54	14.39	12.42

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
2.97%	3.58%	3.18%	2.86%	3.10%	3.51%	2.88%	2.56%	3.35%
29.00	27.98	29.52	29.86	30.75	29.16	29.27	30.43	32.32
4.06	5.69	2.33	2.50	3.48	3.28	2.25	2.50	3.34
1.38	1.46	1.53	1.59	1.30	1.21	1.34	1.09	1.29
2.83	3.18	2.94	3.18	2.78	2.62	2.86	3.89	1.12
2.91	5.29	3.55	4.22	3.71	2.52	2.99	3.43	2.78
43.15	47.18	43.05	44.21	45.12	42.30	41.59	43.90	44.20
0.53	0.80	0.38	0.40	0.53	0.20	0.27	0.19	0.54
5.79	4.17	4.81	4.40	4.45	5.48	4.56	5.56	4.78
0.24	0.32	0.23	0.44	0.28	0.25	0.10	0.23	0.62
0.50	0.58	0.48	0.19	0.11	0.53	0.41	0.38	0.11
0.84	0.71	0.78	0.85	0.83	0.88	1.13	0.93	0.53
1.75	1.41	1.88	2.12	2.27	2.39	3.38	3.60	2.11
2.15	2.14	1.99	2.42	1.85	1.97	1.68	1.26	1.43
0.89	0.79	0.48	0.42	1.26	1.67	1.31	1.05	0.36
12.69	10.92	11.03	11.24	11.58	13.37	12.84	13.20	10.48
3.54	3.03	3.85	3.69	2.96	2.75	3.47	3.02	2.34
1.40	1.76	1.98	2.24	1.49	1.47	1.73	1.67	1.99
2.26	2.18	2.01	2.04	1.94	2.21	2.31	1.99	2.25
0.87	1.04	1.44	1.11	1.26	1.23	1.05	0.97	1.08
8.07	8.01	9.28	9.08	7.65	7.66	8.56	7.65	7.66
20.76	18.93	20.31	20.32	19.23	21.03	21.40	20.85	18.14
4.72	4.21	5.55	4.50	4.84	5.76	5.62	5.25	3.91
3.94	3.57	3.85	3.26	3.79	4.02	4.23	3.57	4.25
0.54	0.59	0.64	0.53	0.50	0.61	0.62	0.75	0.17
0.86	0.83	1.11	0.88	0.85	0.75	0.73	0.95	0.44
0.90	0.56	0.53	0.55	0.74	0.83	0.74	0.92	1.57
0.75	0.69	0.66	0.66	0.62	0.80	0.77	0.80	0.84
0.76	0.87	0.92	0.64	0.73	0.80	1.26	0.91	1.04
0.29	0.50	0.36	0.20	0.04	0.17	0.25	0.82	0.25
0.90	0.76	0.75	0.74	0.71	0.78	0.91	0.80	0.78
2.25	2.09	2.19	2.16	2.33	2.38	3.25	2.33	2.11
15.91	14.67	16.56	14.12	15.15	16.90	18.38	17.10	15.36
2.01	2.51	2.62	2.68	2.48	2.30	1.68	1.87	1.82
6.28	4.64	5.95	5.51	5.73	5.69	5.58	6.01	6.42
1.05	1.16	1.10	0.86	0.83	1.08	0.59	1.11	1.05
0.49	0.55	0.55	0.52	0.41	0.45	0.37	0.61	0.16
0.53	0.66	0.68	0.57	0.55	0.41	0.35	0.55	0.36
0.64	0.73	0.70	0.50	0.61	0.81	0.80	0.80	0.81
1.21	1.23	1.36	1.62	1.42	1.02	1.30	1.23	1.65
1.08	1.10	1.04	1.75	0.80	0.89	1.50	0.67	0.94
13.29	12.58	14.00	14.01	12.83	12.65	12.17	12.85	13.21

REPORT ON OPERATIONS - SALES = 100%

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	22.21	18.02	22.58
Other chargeable materials	4.95	5.44	5.77
Outside services	6.84	10.87	7.79
TOTAL MATERIAL	34.00	34.33	36.14
FACTORY PAYROLL	30.10	26.19	29.01
FACTORY EXPENSES	13.46	12.62	12.59
TOTAL FACTORY COST OF PRODUCT	77.56	73.14	77.74
GROSS PROFIT	22.44	26.86	22.26
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	10.57	10.83	9.74
Selling expenses	8.28	9.59	7.94
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	18.85	20.42	17.68
INCOME BEFORE INTEREST EXPENSE	3.59	6.44	4.58
Interest expense	2.10	2.64	1.70
OPERATING INCOME	1.49	3.80	2.88
Other income	0.70	0.91	0.70
INCOME BEFORE INCOME TAXES	2.19	4.71	3.58

SUPPORTING SCHEDULES - SALES = 100%

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
OTHER CHARGEABLE MATERIALS			
Ink	1.51%	1.87%	1.77%
Film	0.99	1.46	1.09
Plates	1.40	1.22	1.46
Other chargeable materials	1.05	0.89	1.45
TOTAL OTHER CHARGEABLE MATERIALS	4.95	5.44	5.77
OUTSIDE SERVICES			
Composition	0.48	1.06	1.26
Offset preparation	1.21	0.88	0.78
Printing	1.18	1.13	1.44
Binding	2.55	5.25	2.41
Other outside services	1.42	2.55	1.90
TOTAL OUTSIDE SERVICES	6.84	10.87	7.79

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
25.09	22.99	24.20	24.18	25.13	20.72	23.04	21.61	25.09
5.59	5.10	4.99	5.76	5.17	6.45	3.98	4.48	5.46
6.42	5.92	8.49	9.23	7.45	8.34	9.10	8.98	7.90
37.10	34.01	37.68	39.17	37.75	35.51	36.12	35.07	38.45
27.08	31.25	26.82	27.00	28.33	27.18	26.56	28.31	27.12
12.94	12.41	12.69	12.26	11.93	13.51	13.56	13.68	11.09
77.12	77.67	77.19	78.43	78.01	76.20	76.24	77.06	76.66
22.88	22.33	22.81	21.57	21.99	23.80	23.76	22.94	23.34
10.11	9.67	10.41	8.65	9.47	10.93	11.88	11.14	9.55
8.44	8.27	8.60	8.55	7.95	8.04	7.78	8.35	8.19
18.55	17.94	19.01	17.20	17.42	18.97	19.66	19.49	17.74
4.33	4.39	3.80	4.37	4.57	4.83	4.10	3.45	5.60
2.17	2.23	1.87	1.48	2.19	1.95	2.23	2.59	2.64
2.16	2.16	1.93	2.89	2.38	2.88	1.87	0.86	2.96
0.60	0.79	1.01	0.36	0.71	0.96	0.66	1.28	0.98
2.76	2.95	2.94	3.25	3.09	3.84	2.53	2.14	3.94
1.58%	1.40%	2.01%	2.50%	2.40%	1.66%	1.31%	1.09%	1.90%
1.30	1.14	0.94	0.97	0.80	1.75	0.96	1.03	1.05
1.18	1.02	1.17	1.57	1.00	1.27	1.00	0.92	1.12
1.53	1.54	0.87	0.72	0.97	1.77	0.71	1.44	1.39
5.59	5.10	4.99	5.76	5.17	6.45	3.98	4.48	5.46
0.49	0.59	0.83	0.80	0.53	1.15	0.83	1.37	0.98
1.45	1.51	2.14	1.41	1.96	1.27	1.37	1.10	1.72
2.06	1.67	1.67	3.21	1.45	3.14	3.47	2.71	2.07
0.83	1.37	1.76	1.67	1.73	1.33	1.42	2.25	2.02
1.59	0.78	2.09	2.14	1.78	1.45	2.01	1.55	1.11
6.42	5.92	8.49	9.23	7.45	8.34	9.10	8.98	7.90

ALL PRINTERS BY GEOGRAPHIC REGION

SUPPORTING SCHEDULES - SALES = 100%

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
FACTORY PAYROLL			
Salaries - executive	2.41%	1.96%	1.60%
Direct wages	20.35	16.98	19.15
General factory salaries and wages	2.03	2.56	2.64
Packing, shipping and delivery wages	0.91	0.56	1.10
Payroll taxes	2.03	1.77	1.96
Employee benefits	2.37	2.36	2.56
TOTAL FACTORY PAYROLL	30.10	26.19	29.01
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.26	0.23	0.27
Depreciation - other	3.16	3.91	2.55
Taxes - real estate	0.26	0.19	0.22
Taxes - other	0.13	0.03	0.09
Insurance	0.61	0.71	0.69
Building rent	1.45	1.45	1.27
Utilities - heat, light, etc.	1.49	1.65	1.41
Equipment rental	0.47	0.12	0.40
Total Fixed Expenses	7.83	8.29	6.90
Other Expenses			
Factory supplies and expense	2.44	1.62	2.35
Packing, shipping and delivery expense	1.06	0.66	1.23
Repairs and maintenance	1.42	1.55	1.29
Other factory expenses	0.71	0.50	0.82
Total Other Expenses	5.63	4.33	5.69
TOTAL FACTORY EXPENSES	13.46	12.62	12.59
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.04	3.29	2.81
Salaries - office	2.86	2.67	2.53
Payroll taxes	0.42	0.37	0.38
Employee benefits	0.64	0.74	0.57
Bad debts	0.39	0.27	0.26
Office supplies and expenses	0.51	0.40	0.50
Professional fees	0.52	0.68	0.63
Taxes - business	0.11	0.15	0.16
Telephone	0.53	0.43	0.53
Other administrative expenses	1.55	1.83	1.37
TOTAL ADMINISTRATIVE EXPENSES	10.57	10.83	9.74
SELLING EXPENSES			
Salaries - executive	1.10	1.03	1.56
Salaries and commissions - salesmen	3.80	3.87	3.35
Salaries - sales office clerical	0.69	1.03	0.52
Payroll taxes	0.32	0.42	0.31
Employee benefits	0.38	0.28	0.35
Advertising	0.32	0.57	0.35
Travel and entertainment	1.04	0.81	0.80
Other selling expenses	0.63	1.58	0.70
TOTAL SELLING EXPENSES	8.28	9.59	7.94

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
1.90%	2.35%	1.96%	1.70%	1.98%	2.33%	1.81%	1.66%	2.07%
18.19	18.36	18.45	18.28	19.36	18.63	18.76	19.58	19.94
2.53	3.90	1.43	1.55	2.14	2.19	1.41	1.67	2.01
0.86	0.93	0.95	0.97	0.81	0.79	0.88	0.71	0.76
1.78	2.09	1.85	1.94	1.74	1.67	1.84	2.50	0.68
1.82	3.62	2.18	2.56	2.30	1.57	1.86	2.19	1.66
27.08	31.25	26.82	27.00	28.33	27.18	26.56	28.31	27.12
0.32	0.52	0.23	0.25	0.33	0.13	0.17	0.13	0.34
3.58	2.69	3.03	2.67	2.72	3.44	2.85	3.65	2.91
0.15	0.21	0.14	0.26	0.17	0.15	0.06	0.15	0.37
0.31	0.39	0.29	0.12	0.07	0.35	0.26	0.24	0.07
0.53	0.46	0.50	0.50	0.53	0.58	0.71	0.63	0.33
1.11	0.93	1.19	1.27	1.42	1.56	2.15	2.43	1.34
1.35	1.40	1.24	1.46	1.14	1.26	1.05	0.82	0.87
0.58	0.53	0.30	0.26	0.80	1.15	0.86	0.69	0.24
7.93	7.13	6.92	6.79	7.18	8.62	8.11	8.74	6.47
2.19	1.96	2.42	2.24	1.82	1.77	2.21	1.94	1.41
0.87	1.21	1.21	1.30	0.96	0.93	1.13	1.10	1.24
1.39	1.40	1.26	1.24	1.19	1.40	1.44	1.29	1.35
0.56	0.71	0.88	0.69	0.78	0.79	0.67	0.61	0.62
5.01	5.28	5.77	5.47	4.75	4.89	5.45	4.94	4.62
12.94	12.41	12.69	12.26	11.93	13.51	13.56	13.68	11.09
3.00	2.76	3.47	2.74	3.01	3.78	3.66	3.43	2.42
2.50	2.35	2.44	2.00	2.41	2.57	2.77	2.33	2.69
0.34	0.39	0.41	0.32	0.31	0.39	0.41	0.49	0.11
0.54	0.55	0.69	0.54	0.53	0.47	0.46	0.62	0.27
0.58	0.38	0.35	0.33	0.44	0.52	0.45	0.59	0.98
0.48	0.46	0.42	0.40	0.38	0.52	0.49	0.52	0.53
0.49	0.57	0.57	0.39	0.45	0.51	0.80	0.60	0.63
0.18	0.32	0.23	0.13	0.02	0.11	0.15	0.54	0.15
0.57	0.52	0.47	0.45	0.45	0.50	0.58	0.53	0.48
1.43	1.37	1.36	1.35	1.47	1.56	2.11	1.49	1.29
10.11	9.67	10.41	8.65	9.47	10.93	11.88	11.14	9.55
1.27	1.67	1.66	1.64	1.58	1.48	1.09	1.23	1.13
4.00	3.02	3.61	3.33	3.52	3.58	3.54	3.89	3.98
0.66	0.77	0.66	0.54	0.50	0.70	0.38	0.73	0.64
0.31	0.36	0.34	0.32	0.25	0.28	0.24	0.39	0.10
0.33	0.44	0.40	0.35	0.34	0.25	0.22	0.35	0.22
0.42	0.49	0.45	0.32	0.38	0.52	0.53	0.53	0.51
0.76	0.80	0.84	0.98	0.88	0.65	0.82	0.80	1.03
0.69	0.72	0.64	1.07	0.50	0.58	0.96	0.43	0.58
8.44	8.27	8.60	8.55	7.95	8.04	7.78	8.35	8.19

ALL PRINTERS BY GEOGRAPHIC REGION

BALANCE SHEET

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
ASSETS			
CURRENT ASSETS			
Cash	6.29%	5.01%	7.58%
Receivables	29.30	29.58	32.78
Inventories	13.07	11.01	12.71
Other current assets	6.44	3.53	4.95
TOTAL CURRENT ASSETS	55.10	49.13	58.02
FIXED ASSETS			
Real estate	11.25	9.97	11.88
Less: Accumulated depreciation	3.16	2.04	3.77
	8.09	7.93	8.11
Machinery and equipment	66.59	66.68	63.15
Less: Accumulated depreciation	36.93	33.52	36.04
	29.66	33.16	27.11
Other fixed assets	8.00	8.84	5.91
Less: Accumulated depreciation	4.55	2.98	3.18
	3.45	5.86	2.73
NET FIXED ASSETS	41.20	46.95	37.95
OTHER ASSETS	3.70	3.92	4.03
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	8.59	11.11	7.44
Accounts payable	14.78	14.79	15.81
Other current liabilities	8.76	9.86	9.03
TOTAL CURRENT LIABILITIES	32.13	35.76	32.28
LONG-TERM LIABILITIES	28.25	24.82	23.83
TOTAL LIABILITIES	60.38	60.58	56.11
SHAREHOLDERS' AND PROPRIETORS' EQUITY	39.62	39.42	43.89
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.71	1.37	1.80
QUICK RATIO	1.31	1.07	1.40
TOTAL LIABILITIES TO EQUITY	1.52	1.54	1.28
LONG-TERM LIABILITIES TO EQUITY	0.71	0.63	0.54
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.55	0.50	0.57

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
6.48%	5.55%	7.77%	4.88%	6.39%	10.47%	7.54%	6.58%	3.88%
30.40	34.94	30.43	33.11	31.12	30.00	33.87	28.41	33.57
12.05	12.82	13.33	14.22	14.52	11.65	10.39	14.38	14.13
3.93	3.82	4.81	4.88	4.09	3.35	3.89	3.92	3.08
52.86	57.13	56.34	57.09	56.12	55.47	55.69	53.29	54.66
11.19	15.63	12.11	10.93	9.61	7.91	8.28	5.59	12.25
4.07	6.04	3.39	4.08	2.95	2.60	4.03	1.82	2.78
7.12	9.59	8.72	6.85	6.66	5.31	4.25	3.77	9.47
66.07	61.23	62.66	72.67	63.10	64.85	68.01	69.21	66.29
33.48	36.57	35.95	44.30	33.73	34.84	36.13	36.45	35.59
32.59	24.66	26.71	28.37	29.37	30.01	31.88	32.76	30.70
7.60	6.24	8.27	6.16	6.93	7.92	10.21	8.55	4.57
3.62	3.01	4.64	3.42	3.58	3.68	5.89	4.74	2.43
3.98	3.23	3.63	2.74	3.35	4.24	4.32	3.81	2.14
43.69	37.48	39.06	37.96	39.38	39.56	40.45	40.34	42.31
3.45	5.39	4.60	4.95	4.50	4.97	3.86	6.37	3.03
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
7.49	7.68	8.66	6.04	6.77	10.11	10.71	9.90	9.08
12.84	14.51	13.14	13.72	12.27	12.78	14.43	11.05	14.83
6.52	9.33	8.70	10.48	10.20	8.55	8.44	9.18	10.90
26.85	31.52	30.50	30.24	29.24	31.44	33.58	30.13	34.81
29.60	23.97	24.84	28.42	27.28	22.44	27.07	34.05	27.12
56.45	55.49	55.34	58.66	56.52	53.88	60.65	64.18	61.93
43.55	44.51	44.66	41.34	43.48	46.12	39.35	35.82	38.07
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.97	1.81	1.85	1.89	1.92	1.76	1.66	1.77	1.57
1.52	1.41	1.41	1.42	1.42	1.39	1.35	1.29	1.16
1.30	1.25	1.24	1.42	1.30	1.17	1.54	1.79	1.63
0.68	0.54	0.56	0.69	0.63	0.49	0.69	0.95	0.71
0.51	0.60	0.57	0.61	0.53	0.54	0.53	0.53	0.54

ALL PRINTERS BY GEOGRAPHIC REGION

SIGNIFICANT FACTS

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
INVESTMENT			
Average assets per employee - All employees	$ 29,289	$ 49,205	$ 30,649
Average assets per factory employee (Excluding Executives)	40,660	69,263	41,974
Average net worth per employee - All employees	11,908	20,433	13,123
Average gross plant investment per factory employee (Excluding Executives)	33,658	61,449	33,247
Net worth percentage of fixed assets	112.34%	92.14%	157.77%
EMPLOYEES			
Percent factory - All employees	77.37%	75.34%	76.44%
Percent administrative - All employees	12.49	14.06	13.82
Percent sales - All employees	10.14	10.60	9.74
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 55,830	$ 83,353	$ 64,119
Sales per factory employee	72,785	110,392	85,289
Sales less material per factory employee	47,295	70,938	53,163
Sales per administrative employee	550,742	739,013	600,479
EXCLUDING EXECUTIVES			
Sales per employee - All employees	61,277	91,308	70,532
Sales per factory employee	77,027	116,876	89,213
Sales less material per factory employee	50,100	74,992	55,586
SALES PER SALESMAN	879,470	998,046	952,382
SALES TO CURRENT ASSETS	408%	397%	436%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	43.36%	39.90%	41.38%
Factory payroll percentage of gross plant investment	77.58	66.10	146.50
Payroll per employee - All employees	$ 23,174	$ 31,255	$ 25,645
Payroll per factory employee	20,686	27,226	23,632
Payroll per administrative employee	29,739	41,419	28,981
Payroll per sales employee	35,261	52,526	39,897
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 17,927	$ 23,124	$ 19,876
Payroll per factory employee	16,912	21,860	19,345
Payroll per administrative employee	15,909	18,069	15,699
Payroll per sales employee	28,605	37,962	30,299
EXECUTIVE PAYROLL			
Payroll per executive - All executives	46,568	76,170	50,314
Payroll per factory executive	32,704	30,787	30,212
Payroll per administrative executive	58,631	91,895	53,177
Payroll per sales executive	40,893	47,473	40,748
RECEIVABLES			
Collection period	53.3	57.3	54.1
PROFIT			
Gross profit percentage of sales	22.44%	26.86%	22.26%
Average gross profit per factory employee	$ 17,974	$ 31,712	$ 20,061
Income before taxes percentage of sales	2.19%	4.71%	3.58%
Average income before taxes per employee	$ 1,676	$ 4,956	$ 2,533

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
$ 27,786	$ 27,904	$ 33,621	$ 38,742	$ 34,295	$ 30,621	$ 28,062	$ 35,525	$ 38,139
38,038	38,223	47,259	53,805	48,013	43,347	40,910	51,762	58,277
12,575	12,920	15,283	16,847	13,632	15,326	10,561	12,134	15,030
30,918	31,396	36,948	45,521	38,036	34,517	33,753	41,009	46,049
109.17%	136.52%	141.20%	146.92%	244.73%	153.46%	138.17%	134.18%	151.86%
76.49%	78.15%	75.47%	76.04%	75.85%	74.30%	73.37%	72.04%	72.85%
12.55	11.49	13.53	12.18	13.27	14.68	16.45	14.63	14.52
10.96	10.36	11.00	11.78	10.88	11.02	10.18	13.33	12.63
$ 53,442	$ 56,972	$ 64,779	$ 82,585	$ 66,822	$ 61,010	$ 65,340	$ 67,714	$ 68,019
70,293	73,255	86,776	109,539	89,432	82,837	89,969	95,613	96,374
43,786	48,009	53,200	64,739	54,283	52,191	56,193	60,480	57,958
580,552	633,806	631,259	991,176	703,388	655,382	574,901	538,774	630,738
58,522	63,486	72,362	92,462	73,976	69,050	74,497	75,983	77,550
73,696	78,008	92,010	115,613	94,435	88,223	95,841	101,016	104,176
45,945	51,080	56,399	68,182	57,387	55,725	59,804	63,973	62,803
515,043	678,135	743,100	779,584	737,612	414,342	596,589	483,479	680,005
410%	392%	402%	432%	403%	442%	617%	535%	368%
40.05%	43.56%	40.51%	38.79%	40.77%	40.67%	39.33%	41.75%	38.68%
70.47	103.82	74.32	81.60	152.14	92.99	97.97	87.67	70.16
$ 20,795	$ 24,570	$ 25,573	$ 30,023	$ 26,078	$ 23,836	$ 24,885	$ 27,089	$ 24,936
18,270	22,495	22,302	27,370	23,744	21,430	23,090	25,501	24,733
27,946	30,055	34,067	37,268	30,436	29,905	27,698	29,656	24,565
32,922	34,948	42,600	40,268	41,737	32,838	32,728	31,914	30,750
$ 16,350	$ 18,404	$ 19,303	$ 22,979	$ 20,214	$ 18,869	$ 19,709	$ 20,948	$ 21,611
15,199	17,740	18,236	22,247	19,672	18,096	19,171	20,826	21,961
14,414	16,007	16,179	17,879	15,385	15,046	14,913	14,292	16,054
25,301	24,078	31,230	30,212	30,108	25,871	24,019	24,403	26,426
40,176	41,715	49,412	52,826	45,324	42,956	36,433	42,302	35,651
28,436	28,949	30,230	33,112	27,061	27,141	21,870	25,398	31,233
47,865	49,251	63,511	67,132	57,989	49,962	42,429	45,852	37,474
36,423	42,101	49,504	46,195	48,087	35,165	29,040	27,812	30,123
55.8	60.5	54.3	54.3	56.4	53.7	51.7	49.0	66.6
22.88%	22.33%	22.81%	21.57%	21.99%	23.80%	23.76%	22.94%	23.34%
$ 17,395	$ 17,515	$ 21,198	$ 25,608	$ 21,330	$ 21,247	$ 22,500	$ 23,787	$ 24,659
2.76%	2.95%	2.94%	3.25%	3.09%	3.84%	2.53%	2.14%	3.94%
$ 1,719	$ 1,883	$ 2,067	$ 3,770	$ 2,470	$ 2,784	$ 1,535	$ 1,924	$ 3,146

ALL PRINTERS BY GEOGRAPHIC REGION

RETURN ON INVESTMENT - PER $100 OF SALES

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
INVESTMENT			
Current Assets:			
Cash	$ 3.30	$ 3.28	$ 3.48
Receivables	14.36	15.35	14.53
Inventories	6.29	5.28	5.21
Marketable securities	1.85	0.66	0.79
Other current assets	1.73	1.26	1.57
	27.53	25.83	25.58
Plant Investment:			
Land and building	6.80	8.36	6.74
Machinery and equipment	33.40	38.15	28.79
Other fixed assets	3.87	5.82	2.48
	44.07	52.33	38.01
Non-Current Assets	2.26	2.07	2.04
TOTAL INVESTMENT	73.86	80.23	65.63
INVESTMENT TURNOVER PER $100 OF SALES	135.39%	124.64%	152.37%
EARNINGS			
Cost of Product	$77.56	$73.14	$77.74
Selling Expenses	8.28	9.59	7.94
Administrative Expenses	10.57	10.83	9.74
	96.41	93.56	95.42
Income Before Interest, Other Income, and Taxes	3.59	6.44	4.58
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	4.86%	8.03%	6.98%

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
$ 3.44	$ 2.52	$ 3.78	$ 2.27	$ 2.77	$ 5.33	$ 3.16	$ 3.44	$ 2.37
14.83	16.20	14.59	14.44	15.06	14.29	13.68	13.01	17.32
5.98	6.01	6.28	7.10	6.89	5.75	4.33	6.87	7.23
0.72	1.05	1.69	1.07	1.09	1.19	0.48	0.51	0.62
1.43	1.18	1.10	1.16	0.99	0.82	1.18	1.47	1.35
26.40	26.96	27.44	26.04	26.80	27.38	22.83	25.30	28.89
6.02	9.44	6.87	6.98	5.53	4.25	4.31	3.71	7.87
33.22	29.05	29.84	32.64	32.26	32.04	27.46	33.57	35.28
3.64	2.93	3.92	2.92	3.14	3.85	3.91	3.73	2.32
42.88	41.42	40.63	42.54	40.93	40.14	35.68	41.01	45.47
2.03	3.13	2.37	2.79	2.21	2.79	1.86	3.55	1.98
71.31	71.51	70.44	71.37	69.94	70.31	60.37	69.86	76.34
140.23%	139.84%	141.96%	140.11%	142.98%	142.23%	165.65%	143.14%	130.99%
$77.12	$77.67	$77.19	$78.43	$78.01	$76.20	$76.24	$77.06	$76.66
8.44	8.27	8.60	8.55	7.95	8.04	7.78	8.35	8.19
10.11	9.67	10.41	8.65	9.47	10.93	11.88	11.14	9.55
95.67	95.61	96.20	95.63	95.43	95.17	95.90	96.55	94.40
4.33	4.39	3.80	4.37	4.57	4.83	4.10	3.45	5.60
6.07%	6.14%	5.39%	6.12%	6.53%	6.87%	6.79%	4.94%	7.34%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL PRINTING FIRMS	884	$3,237,000	$5,989,000	$291,000
ALL PRINTERS BY GEOGRAPHIC REGION				
New England and Up-State New York	82	2,489,000	4,934,000	182,000
Metropolitan New York and New Jersey	15	3,542,000	7,011,000	311,000
Eastern Penna., Maryland and D.C.	76	3,850,000	7,563,000	296,000
Southeast Atlantic	74	3,447,000	6,274,000	294,000
East North Central	39	2,599,000	5,094,000	260,000
South Central	75	3,309,000	5,928,000	203,000
Chicago Area	65	4,958,000	9,429,000	720,000
West North Central	73	4,594,000	7,741,000	428,000
Plains and Mountain States	98	1,861,000	3,388,000	150,000
Pacific Southwest	71	2,886,000	6,111,000	247,000
Pacific Northwest	65	2,306,000	4,066,000	137,000
Canada	151	3,395,000	5,922,000	321,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales	
			Firm's Ratio Factory Payroll	PIA Ratios Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

** Unlike the ratios shown in this book, these figures are arithmetic averages.

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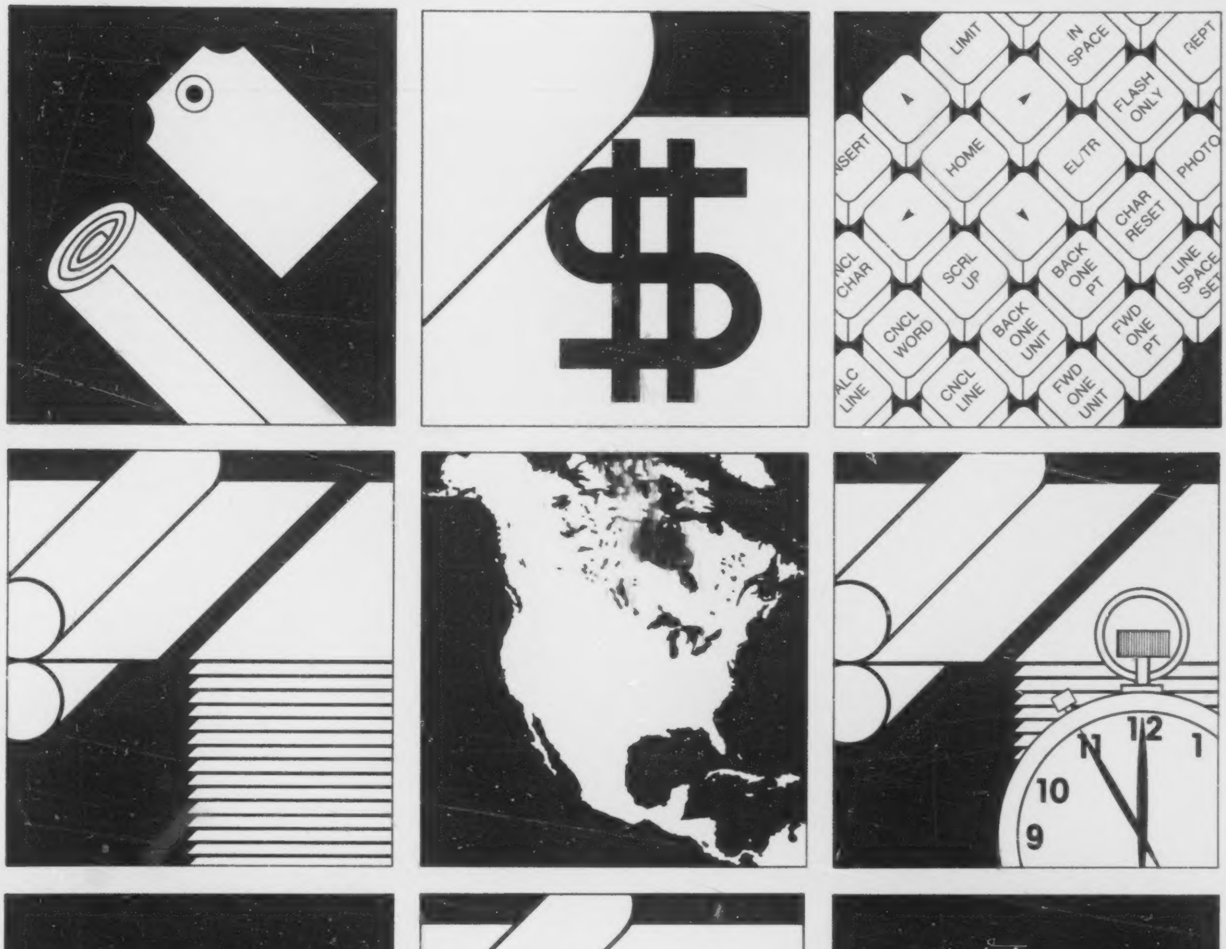
Printing
Industries of
America, Inc.

1983 Financial Ratios


LIMIT
IN SPACE
REPT
FLASH ONLY
INSERT
HOME
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CNCL CHAR
SCRL UP
BACK ONE PT
LINE SPACE SET
CNCL WORD
BACK ONE UNIT
FWD ONE PT
CALC LINE
CNCL LINE
FWD ONE UNIT
12
1
11
10
9
%
%

Volume V

Sheetfed Printers by Size and Geographic Area

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management
  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

SHEETFED PRINTERS

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PRINTING INDUSTRIES OF AMERICA, INC.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

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Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1983 PIA FINANCIAL RATIOS FOR SHEETFED PRINTERS. This Ratio Study was developed on the basis of questionnaires volunteered by 653 firms and presents the ratios and statistics of Sheetfed Printers by sales volume and geographic area.

Thus the user of the report can direct himself to the standards for his sales volume - for example sales to $250,000, sales from $250,000 to $500,000, etc.; and by geographic area for example, New England and Up-State New York, Metropolitan New York and New Jersey, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H. R. Margolis Company

H. R. MARGOLIS COMPANY

1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Jim Olsen
Vice-President
Management Services
Printing Industries of America, Inc.
1730 North Lynn Street
Arlington, VA 22209 — (703) 841-8139

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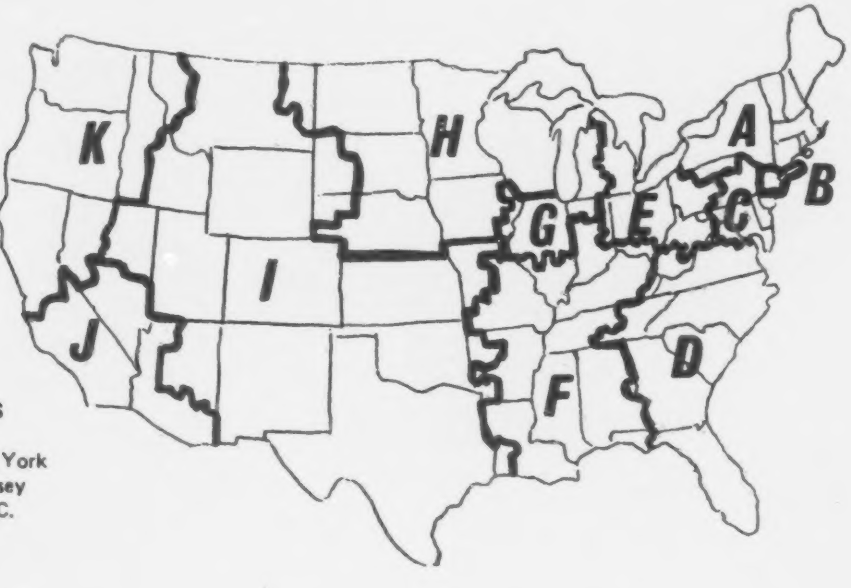

CONSOLIDATED REGIONS

A. New England and Up-state New York
B. Metropolitan New York and Jersey
C. Eastern Penn., Maryland and D.C.
D. Southeast Atlantic
E. East North Central
F. South Central
G. Chicago Area
H. West North Central
I. Plains and Mountain States
J. Pacific Southwest
K. Pacific Northwest

VALUE ADDED -- WHAT IT MEANS TO YOU

VALUE ADDED DEFINED

Value added is simply your sales less material costs, which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$ 23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services -- composition, offset preparation, printing, bindery, etc.

KNOWN BY OTHER TERMS

Value added is also known by such other terms as inside sales, conversion value, inside manufacturing value and real contribution to overhead and profit. Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

CONCEPTUAL UNDERSTANDING OF VALUE ADDED

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry.

Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the value added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

STATEMENT OF OPERATIONS -- VALUE ADDED: THE BETTER STATEMENT

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	43.53	37.39	44.95	39.91	42.74	36.40
FACTORY EXPENSES	19.52	17.81	26.03	31.06	20.47	19.58
TOTAL FACTORY COST OF PRODUCT	63.05	55.20	70.98	70.97	63.21	55.98
GROSS PROFIT	36.95	44.80	29.02	29.03	36.79	44.02
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	16.86	15.16	18.09	5.43	21.68	19.16
Selling expenses	13.69	10.94	9.78	3.92	9.40	6.82
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	30.55	26.10	27.87	9.35	31.08	25.98
INCOME BEFORE INTEREST EXPENSE	6.40	18.70	1.15	19.68	5.71	18.04
Interest expense	3.29	1.86	4.47	2.03	3.02	1.83
OPERATING INCOME (LOSS)	3.11	16.84	(3.32)	17.65	2.69	16.21
Other income	1.21	1.96	0.05	0.44	0.93	0.91
INCOME (LOSS) BEFORE INCOME TAXES	4.32	18.80	(3.27)	18.09	3.62	17.12

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* See Page 10 for the definition of "Profit Leaders".

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
42.51	37.69	43.58	35.53	44.47	37.44	46.71	42.50
19.54	17.34	19.19	17.53	18.73	16.59	18.54	17.39
62.05	55.03	62.77	53.06	63.20	54.03	65.25	59.89
37.95	44.97	37.23	46.94	36.80	45.97	34.75	40.11
20.12	19.34	15.36	14.36	13.21	14.12	10.83	8.73
13.30	8.28	14.89	12.11	15.47	15.67	12.23	11.80
33.42	27.62	30.25	26.47	28.68	29.79	23.06	20.53
4.53	17.35	6.98	20.47	8.12	16.18	11.69	19.58
3.20	2.23	3.38	2.04	3.58	1.17	2.27	1.44
1.33	15.12	3.60	18.43	4.54	15.01	9.42	18.14
1.32	3.13	1.37	1.64	0.96	2.15	1.29	1.52
2.65	18.25	4.97	20.07	5.50	17.16	10.71	19.66

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	3.25%	2.63%	8.60%	1.35%	3.39%	2.58%
Direct wages	30.21	25.86	24.69	17.32	32.74	28.40
General factory salaries and wages	2.92	2.66	5.76	16.33	1.23	1.58
Packing, shipping and delivery wages	1.31	1.28	0.52	0.00	0.71	0.25
Payroll taxes	2.68	2.20	3.37	2.50	2.82	2.57
Employee benefits	3.16	2.76	2.01	2.41	1.85	1.02
TOTAL FACTORY PAYROLL	43.53	37.39	44.95	39.91	42.74	36.40
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.39	0.29	0.19	0.52	0.33	0.12
Depreciation - other	4.74	4.99	7.01	6.57	4.96	6.39
Taxes - real estate	0.31	0.29	0.68	1.48	0.28	0.02
Taxes - other	0.30	0.21	0.36	0.00	0.22	0.08
Insurance	0.94	0.96	1.50	2.12	1.39	1.95
Building rent	2.46	2.12	5.93	3.91	4.16	3.01
Utilities - heat, light, etc.	1.78	1.48	1.74	1.81	1.92	1.83
Equipment rental	0.92	0.72	2.28	0.36	1.33	0.20
Total Fixed Expenses	11.84	11.06	19.69	16.77	14.59	13.60
Other Expenses						
Factory supplies and expense	2.99	2.41	1.61	0.44	2.14	1.78
Packing, shipping and delivery expense	1.63	1.47	1.33	0.39	1.50	1.76
Repairs and maintenance	1.98	1.87	1.92	1.74	1.84	2.17
Other factory expenses	1.08	1.00	1.48	11.72	0.40	0.27
Total Other Expenses	7.68	6.75	6.34	14.29	5.88	5.98
TOTAL FACTORY EXPENSES	19.52	17.81	26.03	31.06	20.47	19.58
ADMINISTRATIVE EXPENSES						
Salaries - executive	5.18	5.20	5.75	1.01	8.05	7.66
Salaries - office	4.23	3.28	4.33	1.01	5.42	4.25
Payroll taxes	0.57	0.46	0.60	0.05	0.87	0.58
Employee benefits	0.81	0.70	0.67	0.07	0.70	0.56
Bad debts	0.81	0.81	0.91	0.13	0.98	0.63
Office supplies and expenses	0.82	0.67	1.15	0.41	0.90	0.73
Professional fees	0.92	0.81	1.23	0.73	1.01	1.13
Taxes - business	0.31	0.33	0.19	0.00	0.51	0.95
Telephone	0.82	0.62	1.56	1.29	1.07	0.71
Other administrative expenses	2.39	2.28	1.70	0.73	2.17	1.96
TOTAL ADMINISTRATIVE EXPENSES	16.86	15.16	18.09	5.43	21.68	19.16
SELLING EXPENSES						
Salaries - executive	2.36	1.71	3.03	1.01	2.41	0.94
Salaries and commissions - salesmen	6.08	4.93	1.90	0.51	3.05	2.82
Salaries - sales office clerical	0.96	0.88	0.60	0.50	0.55	0.65
Payroll taxes	0.47	0.33	0.32	0.05	0.26	0.14
Employee benefits	0.51	0.48	0.20	0.07	0.22	0.05
Advertising	0.78	0.61	1.79	0.37	1.10	0.85
Travel and entertainment	1.48	1.21	1.18	1.41	1.35	0.99
Other selling expenses	1.05	0.79	0.76	0.00	0.46	0.38
TOTAL SELLING EXPENSES	13.69	10.94	9.78	3.92	9.40	6.82

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.17%	2.61%	3.13%	2.60%	2.71%	2.98%	2.71%	2.57%
31.20	26.76	29.73	25.19	29.58	24.37	28.65	26.91
1.78	3.03	3.34	1.43	3.65	2.68	5.25	4.27
1.23	1.39	1.48	1.38	1.45	1.46	1.71	1.63
2.59	1.83	2.58	2.19	2.72	2.36	3.21	2.40
2.54	2.07	3.32	2.74	4.36	3.59	5.18	4.72
42.51	37.69	43.58	35.53	44.47	37.44	46.71	42.50
0.29	0.14	0.40	0.28	0.63	0.53	0.52	0.44
4.80	4.97	4.68	5.04	4.26	4.49	4.25	4.11
0.23	0.23	0.33	0.26	0.31	0.39	0.42	0.38
0.32	0.22	0.29	0.23	0.34	0.20	0.32	0.27
1.20	1.18	0.81	0.82	0.53	0.57	0.38	0.32
3.03	2.62	2.02	2.26	1.26	1.18	0.81	0.81
1.72	1.08	1.74	1.48	1.91	1.80	1.76	1.55
1.01	1.91	0.80	0.38	0.73	0.45	0.34	0.24
12.60	12.35	11.07	10.75	9.97	9.61	8.80	8.12
2.49	1.32	3.39	2.64	3.51	3.02	3.68	3.94
1.61	0.96	1.68	1.69	1.54	1.55	1.89	1.66
1.94	1.85	1.97	1.71	2.13	1.91	2.28	2.11
0.90	0.86	1.08	0.74	1.58	0.50	1.89	1.56
6.94	4.99	8.12	6.78	8.76	6.98	9.74	9.27
19.54	17.34	19.19	17.53	18.73	16.59	18.54	17.39
6.35	6.76	4.58	5.41	3.53	3.90	2.09	1.80
5.10	4.45	3.81	2.89	3.17	2.96	3.14	2.02
0.68	0.48	0.51	0.55	0.41	0.34	0.36	0.23
0.81	0.60	0.87	0.90	0.83	0.78	0.73	0.43
0.97	0.98	0.68	0.67	0.74	1.00	0.61	0.87
0.96	0.84	0.80	0.65	0.60	0.69	0.48	0.38
1.08	1.14	0.83	0.64	0.87	0.71	0.58	0.53
0.32	0.23	0.31	0.26	0.23	0.29	0.22	0.26
0.97	0.78	0.73	0.52	0.62	0.58	0.46	0.44
2.88	3.08	2.24	1.87	2.21	2.87	2.16	1.77
20.12	19.34	15.36	14.36	13.21	14.12	10.83	8.73
2.89	1.88	2.21	1.83	2.04	2.13	1.09	1.32
5.31	3.05	7.32	5.98	7.27	7.30	5.73	5.35
0.74	0.66	1.09	0.48	1.28	1.85	1.40	1.55
0.46	0.22	0.54	0.41	0.49	0.49	0.35	0.33
0.40	0.23	0.58	0.52	0.76	1.03	0.64	0.61
0.90	0.66	0.61	0.65	0.65	0.54	0.51	0.28
1.54	1.20	1.55	1.37	1.43	1.14	1.15	0.97
1.06	0.38	0.99	0.87	1.55	1.19	1.36	1.39
13.30	8.28	14.89	12.11	15.47	15.67	12.23	11.80

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT						
MATERIAL						
Paper	21.30	21.05	18.92	18.95	20.69	20.10
Other chargeable materials	5.04	4.82	5.54	5.35	4.15	1.88
Outside services	8.77	7.32	5.91	1.44	8.25	7.50
TOTAL MATERIAL	35.11	33.19	30.37	25.74	33.09	29.48
FACTORY PAYROLL	28.26	25.00	31.49	29.61	28.64	26.01
FACTORY EXPENSES	12.67	11.97	18.32	23.42	13.67	13.85
TOTAL FACTORY COST OF PRODUCT	76.04	70.16	80.18	78.77	75.40	69.34
GROSS PROFIT	23.96	29.84	19.82	21.23	24.60	30.66
ADMINISTRATIVE AND SELLING EXPENSES						
Administrative expenses	10.96	10.13	12.21	3.99	14.61	13.50
Selling expenses	8.79	7.28	6.67	2.88	6.12	4.74
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	19.75	17.41	18.88	6.87	20.73	18.24
INCOME BEFORE INTEREST EXPENSE	4.21	12.43	0.94	14.36	3.87	12.42
Interest expense	2.12	1.24	3.05	1.45	2.01	1.22
OPERATING INCOME (LOSS)	2.09	11.19	(2.11)	12.91	1.86	11.20
Other income	0.77	1.24	0.07	0.33	0.63	0.67
INCOME (LOSS) BEFORE INCOME TAXES	2.86	12.43	(2.04)	13.24	2.49	11.87

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS						
Ink	1.30%	1.15%	0.77%	0.74%	0.85%	0.44%
Film	1.19	1.32	1.59	1.39	1.03	1.06
Plates	1.29	1.30	0.85	1.57	1.35	0.05
Other chargeable materials	1.26	1.05	2.33	1.65	0.92	0.33
TOTAL OTHER CHARGEABLE MATERIALS	5.04	4.82	5.54	5.35	4.15	1.88
OUTSIDE SERVICES						
Composition	0.98	0.81	0.76	0.00	1.09	1.16
Offset preparation	1.59	1.37	0.24	0.00	0.98	0.09
Printing	2.36	1.63	3.55	0.48	4.25	5.61
Binding	2.04	1.82	0.63	0.00	0.90	0.64
Other outside services	1.80	1.69	0.73	0.96	1.03	0.00
TOTAL OUTSIDE SERVICES	8.77	7.32	5.91	1.44	8.25	7.50

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
20.85	21.43	21.20	21.23	22.50	18.39	23.70	23.97
5.09	5.90	5.01	4.36	5.02	5.69	6.32	5.46
8.41	6.62	9.24	8.46	9.11	7.07	8.86	6.49
34.35	33.95	35.45	34.05	36.63	31.15	38.88	35.92
27.90	24.83	28.16	23.51	28.28	25.76	28.24	27.16
12.82	11.56	12.38	11.60	11.83	11.45	11.27	11.03
75.07	70.34	75.99	69.16	76.74	68.36	78.39	74.11
24.93	29.66	24.01	30.84	23.26	31.64	21.61	25.89
13.18	12.68	9.92	9.45	8.29	9.72	6.69	5.71
8.67	5.56	9.53	7.84	9.72	10.90	7.66	7.64
21.85	18.24	19.45	17.29	18.01	20.62	14.35	13.35
3.08	11.42	4.56	13.55	5.25	11.02	7.26	12.54
2.10	1.50	2.16	1.37	2.21	0.81	1.34	0.92
0.98	9.92	2.40	12.18	3.04	10.21	5.92	11.62
0.85	1.89	0.88	1.05	0.58	1.45	0.76	0.92
1.83	11.81	3.28	13.23	3.62	11.66	6.68	12.54

1.07%	1.16%	1.33%	1.10%	1.71%	1.57%	1.68%	1.19%
0.92	1.19	1.32	1.53	1.28	1.20	1.07	1.32
1.41	2.16	1.39	1.12	1.13	1.66	0.94	1.05
1.69	1.39	0.97	0.61	0.90	1.26	2.63	1.90
5.09	5.90	5.01	4.36	5.02	5.69	6.32	5.46
1.13	1.11	1.06	0.81	0.47	0.42	0.88	0.92
1.29	1.49	1.91	1.54	1.94	1.72	1.12	1.08
2.87	1.72	2.07	1.80	1.65	1.49	0.72	0.61
1.73	1.48	2.21	2.16	2.67	2.23	3.46	1.54
1.39	0.82	1.99	2.15	2.38	1.21	2.68	2.34
8.41	6.62	9.24	8.46	9.11	7.07	8.86	6.49

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL						
Salaries - executive	2.13%	1.79%	5.90%	0.97%	2.35%	1.99%
Direct wages	19.57	17.28	16.99	12.43	21.89	20.15
General factory salaries and wages	1.92	1.79	4.47	12.53	0.79	1.10
Packing, shipping and delivery wages	0.85	0.83	0.35	0.00	0.48	0.19
Payroll taxes	1.74	1.48	2.36	1.88	1.89	1.81
Employee benefits	2.05	1.83	1.42	1.80	1.24	0.77
TOTAL FACTORY PAYROLL	28.26	25.00	31.49	29.61	28.64	26.01
FACTORY EXPENSES						
Fixed Expenses						
Depreciation - real estate	0.26	0.20	0.13	0.37	0.22	0.09
Depreciation - other	3.05	3.34	4.87	4.91	3.36	4.54
Taxes - real estate	0.20	0.19	0.44	1.10	0.19	0.01
Taxes - other	0.20	0.14	0.25	0.00	0.15	0.06
Insurance	0.61	0.65	1.05	1.60	0.92	1.33
Building rent	1.61	1.42	4.26	3.00	2.74	2.21
Utilities - heat, light, etc.	1.15	0.99	1.20	1.31	1.28	1.30
Equipment rental	0.62	0.51	1.66	0.28	0.90	0.16
Total Fixed Expenses	7.70	7.44	13.86	12.57	9.76	9.70
Other Expenses						
Factory supplies and expense	1.94	1.60	1.09	0.31	1.44	1.26
Packing, shipping and delivery expense	1.05	0.98	0.90	0.28	0.98	1.20
Repairs and maintenance	1.28	1.26	1.36	1.26	1.23	1.50
Other factory expenses	0.70	0.69	1.11	9.00	0.26	0.19
Total Other Expenses	4.97	4.53	4.46	10.85	3.91	4.15
TOTAL FACTORY EXPENSES	12.67	11.97	18.32	23.42	13.67	13.85
ADMINISTRATIVE EXPENSES						
Salaries - executive	3.37	3.47	3.78	0.72	5.45	5.41
Salaries - office	2.75	2.20	2.93	0.72	3.67	3.02
Payroll taxes	0.37	0.31	0.41	0.04	0.58	0.42
Employee benefits	0.53	0.46	0.49	0.05	0.48	0.41
Bad debts	0.53	0.55	0.59	0.09	0.68	0.48
Office supplies and expenses	0.53	0.45	0.79	0.31	0.58	0.49
Professional fees	0.60	0.54	0.87	0.55	0.68	0.82
Taxes - business	0.20	0.21	0.13	0.00	0.33	0.57
Telephone	0.53	0.41	1.05	0.99	0.69	0.49
Other administrative expenses	1.55	1.53	1.17	0.52	1.47	1.39
TOTAL ADMINISTRATIVE EXPENSES	10.96	10.13	12.21	3.99	14.61	13.50
SELLING EXPENSES						
Salaries - executive	1.52	1.13	2.06	0.72	1.56	0.67
Salaries and commissions - salesmen	3.90	3.26	1.31	0.36	2.00	1.93
Salaries - sales office clerical	0.63	0.60	0.40	0.36	0.37	0.46
Payroll taxes	0.30	0.22	0.22	0.04	0.18	0.11
Employee benefits	0.32	0.32	0.13	0.05	0.14	0.04
Advertising	0.51	0.41	1.21	0.27	0.73	0.62
Travel and entertainment	0.94	0.80	0.80	1.08	0.84	0.67
Other selling expenses	0.67	0.54	0.54	0.00	0.30	0.24
TOTAL SELLING EXPENSES	8.79	7.28	6.67	2.88	6.12	4.74

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.08%	1.69%	2.03%	1.77%	1.69%	2.06%	1.67%	1.65%
20.47	17.75	19.21	16.72	18.69	16.70	17.27	17.09
1.19	1.96	2.15	0.90	2.45	1.91	3.19	2.81
0.79	0.85	0.96	0.90	0.90	1.00	1.05	1.06
1.70	1.20	1.67	1.44	1.73	1.63	1.90	1.57
1.67	1.38	2.14	1.78	2.82	2.46	3.16	2.98
27.90	24.83	28.16	23.51	28.28	25.76	28.24	27.16
0.20	0.10	0.27	0.19	0.38	0.38	0.32	0.28
3.12	3.22	3.01	3.31	2.68	3.03	2.62	2.65
0.15	0.16	0.21	0.18	0.19	0.27	0.25	0.23
0.21	0.15	0.18	0.15	0.22	0.14	0.20	0.17
0.79	0.81	0.52	0.55	0.33	0.38	0.24	0.21
1.98	1.74	1.29	1.45	0.82	0.82	0.49	0.51
1.12	0.72	1.12	0.97	1.22	1.27	1.08	0.97
0.68	1.35	0.53	0.26	0.48	0.33	0.21	0.15
8.25	8.25	7.13	7.06	6.32	6.62	5.41	5.17
1.65	0.88	2.21	1.76	2.23	2.13	2.19	2.40
1.06	0.63	1.08	1.14	0.96	1.03	1.15	1.10
1.26	1.20	1.26	1.15	1.34	1.33	1.38	1.35
0.60	0.60	0.70	0.49	0.98	0.34	1.14	1.01
4.57	3.31	5.25	4.54	5.51	4.83	5.86	5.86
12.82	11.56	12.38	11.60	11.83	11.45	11.27	11.03
4.15	4.43	2.96	3.54	2.21	2.62	1.29	1.15
3.35	2.92	2.46	1.91	2.00	2.09	1.94	1.30
0.44	0.32	0.33	0.36	0.26	0.24	0.21	0.15
0.53	0.40	0.56	0.58	0.50	0.54	0.45	0.28
0.64	0.65	0.45	0.46	0.46	0.66	0.40	0.59
0.63	0.55	0.51	0.44	0.38	0.48	0.30	0.25
0.70	0.71	0.53	0.42	0.53	0.50	0.37	0.36
0.21	0.15	0.20	0.17	0.14	0.19	0.14	0.17
0.63	0.51	0.47	0.34	0.39	0.41	0.29	0.30
1.30	2.04	1.45	1.23	1.42	1.99	1.30	1.16
13.18	12.68	9.92	9.45	8.29	9.72	6.69	5.71
1.86	1.22	1.42	1.19	1.29	1.46	0.67	0.83
3.51	2.07	4.67	3.85	4.54	4.97	3.59	3.47
0.48	0.46	0.70	0.30	0.83	1.34	0.85	0.99
0.30	0.15	0.35	0.27	0.31	0.35	0.23	0.22
0.25	0.15	0.37	0.34	0.47	0.71	0.41	0.39
0.59	0.44	0.40	0.43	0.41	0.39	0.33	0.19
0.98	0.80	0.99	0.89	0.89	0.79	0.72	0.63
0.70	0.27	0.63	0.57	0.98	0.89	0.86	0.92
8.67	5.56	9.53	7.84	9.72	10.90	7.66	7.64

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS						
CURRENT ASSETS						
Cash	6.98%	12.84%	8.30%	1.11%	9.56%	14.21%
Receivables	32.22	26.59	17.66	11.12	29.67	21.41
Inventories	12.23	10.43	13.58	5.48	10.78	7.31
Other current assets	4.64	7.46	3.11	12.39	4.79	10.13
TOTAL CURRENT ASSETS	56.07	57.32	42.65	30.10	54.80	53.06
FIXED ASSETS						
Real estate	9.67	9.58	11.02	43.05	7.48	6.04
Less: Accumulated depreciation	3.34	2.58	3.31	10.61	2.29	1.58
	6.33	7.00	7.71	32.44	5.19	4.46
Machinery and equipment	67.36	57.84	83.16	50.01	79.05	68.47
Less: Accumulated depreciation	37.85	30.36	41.42	16.07	47.03	33.48
	29.51	27.48	41.74	33.94	32.02	34.99
Other fixed assets	8.07	7.19	10.45	4.94	9.71	9.52
Less: Accumulated depreciation	4.29	3.35	5.75	2.27	5.90	4.62
	3.78	3.84	4.70	2.67	3.81	4.90
NET FIXED ASSETS	39.62	38.32	54.15	69.05	41.02	44.35
OTHER ASSETS	4.31	4.36	3.20	0.85	4.18	2.59
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Notes payable	8.75	4.75	9.60	12.52	7.70	4.88
Accounts payable	13.92	9.25	8.51	4.93	15.56	7.69
Other current liabilities	9.16	8.70	9.95	1.53	8.20	8.27
TOTAL CURRENT LIABILITIES	31.83	22.70	28.06	18.98	31.46	20.84
LONG-TERM LIABILITIES	26.73	18.59	39.25	24.55	32.39	21.33
TOTAL LIABILITIES	58.56	41.29	67.31	43.53	63.85	42.17
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.44	58.71	32.69	56.47	36.15	57.83
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.76	2.53	1.52	1.59	1.74	2.55
QUICK RATIO	1.38	2.07	1.04	1.30	1.40	2.20
TOTAL LIABILITIES TO EQUITY	1.41	0.70	2.06	0.77	1.77	0.73
LONG-TERM LIABILITIES TO EQUITY	0.65	0.32	1.20	0.43	0.90	0.37
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.56	0.52	0.50	0.32	0.59	0.49

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
7.34%	17.15%	6.54%	10.98%	6.38%	15.46%	4.44%	7.46%
34.02	27.00	32.92	27.17	31.71	25.33	31.88	32.34
11.21	10.89	12.26	10.16	13.74	10.01	15.41	14.23
5.22	6.93	4.72	8.20	4.02	7.25	3.09	3.57
57.79	61.97	56.44	56.51	55.85	58.05	54.82	57.60
6.54	4.97	10.11	8.91	13.08	11.64	17.19	15.77
2.74	1.68	3.51	2.24	3.67	3.42	6.06	3.89
3.80	3.29	6.60	6.67	9.41	8.22	11.13	11.88
70.44	57.95	65.91	60.33	57.86	50.15	55.97	51.65
40.73	32.87	37.16	31.58	30.20	26.30	28.64	26.33
29.71	25.08	28.75	28.75	27.66	23.85	27.33	25.32
9.02	7.72	8.22	7.35	5.68	8.20	3.70	2.95
4.84	4.29	4.21	2.80	2.86	4.09	1.92	1.34
4.18	3.43	4.01	4.55	2.82	4.11	1.78	1.61
37.69	31.80	39.36	39.97	39.89	36.18	40.24	38.81
4.52	6.23	4.20	3.52	4.26	5.77	4.94	3.59
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
8.89	5.60	9.03	5.21	9.75	2.64	5.02	2.97
15.32	11.25	13.50	8.80	12.96	8.01	12.15	10.11
7.20	5.87	10.05	9.80	10.26	9.86	11.29	11.10
31.41	22.72	32.58	23.81	32.97	20.51	28.46	24.18
27.93	19.12	25.36	19.65	24.01	14.34	20.26	16.23
59.34	41.84	57.94	43.46	56.98	34.85	48.72	40.41
40.66	58.16	42.06	56.54	43.02	65.15	51.28	59.59
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.84	2.73	1.73	2.37	1.69	2.83	1.93	2.38
1.48	2.25	1.36	1.95	1.28	2.34	1.38	1.79
1.46	0.72	1.38	0.77	1.32	0.53	0.95	0.68
0.69	0.33	0.60	0.35	0.56	0.22	0.40	0.27
0.58	0.57	0.56	0.52	0.52	0.52	0.51	0.51

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Average assets per employee - All employees	$ 29,827	$ 38,802	$ 25,407	$ 49,681	$ 19,682	$ 22,497
Average assets per factory employee (Excluding Executives)	44,328	56,773	44,403	54,045	30,883	35,363
Average net worth per employee - All employees	12,657	22,821	3,869	26,532	7,811	13,405
Average gross plant investment per factory employee (Excluding Executives)	36,406	41,879	47,711	54,696	28,141	30,819
Net worth percentage of fixed assets	151.01%	228.30%	94.22%	88.90%	124.80%	150.30%
EMPLOYEES						
Percent factory - All employees	73.14%	74.81%	75.23%	92.30%	71.03%	69.90%
Percent administrative - All employees	14.86	14.73	16.32	3.85	20.19	22.48
Percent sales - All employees	12.00	10.46	8.45	3.85	8.78	7.62
SALES - VALUE OF PRODUCT PRODUCED						
INCLUDING EXECUTIVES						
Sales per employee - All employees	$ 60,393	$ 68,513	$ 42,508	$ 50,585	$ 44,471	$ 44,571
Sales per factory employee	84,410	95,256	59,832	54,691	65,227	66,333
Sales less material per factory employee	53,872	62,840	41,670	40,646	42,744	46,530
Sales per administrative employee	529,113	718,893	314,298	293,600	280,997	231,626
EXCLUDING EXECUTIVES						
Sales per employee - All employees	68,648	76,850	64,467	53,530	54,921	54,541
Sales per factory employee	90,129	99,704	81,329	55,962	70,840	70,859
Sales less material per factory employee	57,557	65,833	56,257	41,558	46,686	50,094
SALES PER SALESMAN	503,722	595,360	0	0	188,455	153,859
SALES TO CURRENT ASSETS	448%	359%	858%	412%	640%	434%
PAYROLL - INCLUDING TAXES AND BENEFITS						
INCLUDING EXECUTIVES						
Total payroll percentage of sales	41.95%	36.96%	43.22%	32.68%	43.08%	38.47%
Factory payroll percentage of gross plant investment	92.83	77.53	82.22	34.53	91.02	76.80
Payroll per employee - All employees	$ 24,591	$ 24,691	$ 16,782	$ 16,373	$ 18,586	$ 16,746
Payroll per factory employee	22,750	23,082	16,293	16,195	17,466	16,490
Payroll per administrative employee	28,370	30,906	15,133	9,016	21,839	19,064
Payroll per sales employee	33,509	35,988	11,129	9,016	16,688	15,083
PAYROLL - EXCLUDING TAXES AND BENEFITS						
EXCLUDING EXECUTIVES						
Payroll per employee - All employees	$ 19,473	$ 19,268	$ 13,338	$ 14,099	$ 14,963	$ 13,841
Payroll per factory employee	19,050	19,297	13,360	13,966	15,244	14,100
Payroll per administrative employee	15,355	15,100	8,503	8,512	11,697	11,773
Payroll per sales employee	25,547	26,038	5,899	8,512	9,063	8,215
EXECUTIVE PAYROLL						
Payroll per executive - All executives	41,037	48,476	17,928	9,458	24,617	25,211
Payroll per factory executive	27,199	30,421	14,182	11,350	14,454	18,700
Payroll per administrative executive	47,232	55,126	15,231	8,512	26,832	24,651
Payroll per sales executive	34,372	36,317	10,344	8,512	12,680	9,816
RECEIVABLES						
Collection period	55.5	52.7	31.1	37.7	47.9	38.3
PROFIT						
Gross profit percentage of sales	23.96%	29.84%	19.82%	21.23%	24.60%	30.66%
Average gross profit per factory employee	$ 22,108	$ 30,379	$ 17,103	$ 11,878	$ 18,088	$ 22,463
Income (loss) before taxes percentage of sales	2.86%	12.43%	(2.04)%	13.24%	2.49%	11.87%
Average income (loss) before taxes per employee	$ 2,077	$ 8,766	$ (577)	$ 6,421	$ 1,279	$ 5,408

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 25,261	$ 34,982	$ 31,667	$ 42,727	$ 37,625	$ 41,242	$ 41,083	$ 44,288
40,832	61,179	46,296	59,924	51,809	58,552	53,231	55,817
10,589	19,876	13,592	24,590	16,378	27,081	20,766	25,930
33,569	41,093	38,492	46,312	38,267	41,456	39,347	38,644
158.46%	366.89%	165.58%	194.00%	127.27%	204.56%	141.22%	174.20%
69.00%	69.47%	73.63%	75.81%	78.41%	75.73%	80.58%	82.65%
18.55	21.59	13.13	12.87	10.35	10.66	9.42	6.67
12.45	8.94	13.24	11.32	11.24	13.61	10.00	10.68
$ 53,418	$ 60,543	$ 64,264	$ 77,032	$ 71,447	$ 70,441	$ 78,840	$ 80,382
80,565	96,963	88,823	103,874	92,842	95,423	98,671	97,965
52,271	64,768	56,529	67,125	57,855	65,068	59,278	61,581
385,072	720,471	540,299	684,682	783,788	703,813	1,121,691	1,308,365
62,610	71,400	71,563	85,885	77,375	76,226	83,471	84,799
85,700	101,138	94,314	108,826	97,670	100,422	102,607	101,295
55,613	67,399	59,987	70,443	60,813	68,542	61,620	63,626
247,457	263,774	447,145	493,299	797,208	703,724	1,107,281	1,186,269
436%	348%	413%	375%	373%	306%	388%	325%
42.78%	36.95%	41.98%	35.83%	40.67%	40.09%	37.89%	35.94%
90.77	73.36	101.92	87.20	79.66	67.81	77.82	76.49
$ 22,331	$ 22,221	$ 26,362	$ 26,873	$ 28,339	$ 27,615	$ 28,993	$ 27,856
21,654	25,410	23,970	22,866	24,873	23,271	27,140	25,641
24,545	24,307	30,892	37,119	34,679	36,070	33,026	33,344
26,514	22,919	37,425	42,544	49,311	52,387	44,335	45,383
$ 17,906	$ 18,441	$ 20,824	$ 20,105	$ 21,999	$ 20,756	$ 22,813	$ 22,146
18,521	22,294	19,999	18,856	20,273	18,623	21,683	20,783
14,207	12,997	16,307	15,765	17,787	17,124	18,602	18,746
18,455	13,818	29,695	30,189	39,708	41,626	37,029	37,514
32,591	30,977	45,502	60,011	55,877	65,625	57,294	55,196
20,768	19,012	30,623	31,391	36,156	43,905	42,945	46,895
33,606	31,483	53,401	68,680	68,856	75,815	73,020	71,098
20,896	17,423	38,907	38,469	58,481	71,728	63,163	52,366
55.1	50.9	57.1	53.7	60.3	54.1	61.1	66.4
24.93%	29.66%	24.01%	30.84%	23.26%	31.64%	21.61%	25.89%
$ 21,942	$ 30,466	$ 23,122	$ 34,077	$ 23,459	$ 32,823	$ 22,095	$ 26,414
1.83%	11.81%	3.28%	13.23%	3.62%	11.66%	6.68%	12.54%
$ 1,218	$ 7,444	$ 2,381	$ 10,323	$ 2,740	$ 8,282	$ 5,516	$ 10,715

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $250,000		SALES FROM $250,000-$500,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Current Assets:						
Cash	$ 3.39	$ 7.23	$ 3.20	$ 1.24	$ 4.09	$ 6.68
Receivables	14.77	14.06	8.35	10.34	12.78	10.34
Inventories	5.74	5.40	6.06	5.09	4.90	3.49
Marketable securities	1.13	3.04	0.33	0.89	1.98	5.26
Other current assets	1.30	1.40	1.57	9.41	1.09	1.13
	26.33	31.13	19.51	26.97	24.84	26.90
Plant Investment:						
Land and building	5.81	6.57	8.65	44.49	4.53	3.62
Machinery and equipment	31.85	31.87	43.34	48.58	33.79	35.14
Other fixed assets	3.70	3.81	4.46	4.64	3.99	5.30
	41.36	42.25	56.45	97.71	42.31	44.06
Non-Current Assets	2.39	3.17	1.62	0.76	1.86	1.22
TOTAL INVESTMENT	70.08	76.55	77.58	125.44	69.01	72.18
INVESTMENT TURNOVER PER $100 OF SALES	142.69%	130.63%	128.90%	79.72%	144.91%	138.54%
EARNINGS						
Cost of Product	$76.04	$70.16	$80.18	$78.77	$75.40	$69.34
Selling Expenses	8.79	7.28	6.67	2.88	6.12	4.74
Administrative Expenses	10.96	10.13	12.21	3.99	14.61	13.50
	95.79	87.57	99.06	85.64	96.13	87.58
Income Before Interest, Other Income, and Taxes	4.21	12.43	0.94	14.36	3.87	12.42
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.01%	16.24%	1.21%	11.45%	5.61%	17.21%

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 3.72	$10.60	$ 3.13	$ 5.69	$ 3.41	$ 8.99	$ 2.45	$ 4.46
14.68	13.68	15.19	14.28	15.99	14.50	16.26	17.44
5.27	5.41	5.68	5.04	6.71	5.81	7.50	7.62
1.04	3.28	1.13	2.72	0.92	3.76	1.03	1.10
1.57	1.12	1.20	1.60	1.40	0.71	0.71	1.14
26.28	34.09	26.33	29.33	28.43	33.77	27.95	31.76
4.07	3.97	6.06	5.85	7.68	7.59	9.03	9.07
31.78	31.65	31.86	32.38	29.37	29.79	28.26	27.91
4.01	3.21	3.89	4.12	2.86	4.74	1.85	1.63
39.86	38.83	41.81	42.35	39.91	42.12	39.14	38.61
2.46	4.48	2.30	2.69	2.59	4.42	3.47	2.64
68.60	77.40	70.44	74.37	70.93	80.31	70.56	73.01
145.77%	129.20%	141.96%	134.46%	140.98%	124.52%	141.72%	136.97%
$75.07	$70.34	$75.99	$69.16	$76.74	$68.36	$78.39	$74.11
8.67	5.56	9.53	7.84	9.72	10.90	7.66	7.64
13.18	12.68	9.92	9.45	8.29	9.72	6.69	5.71
96.92	88.58	95.44	86.45	94.75	88.98	92.74	87.46
3.08	11.42	4.56	13.55	5.25	11.02	7.26	12.54
4.49%	14.75%	6.47%	18.22%	7.40%	13.72%	10.29%	17.18%

REPORT ON OPERATIONS - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

	NEW ENGLAND AND UP-STATE NEW YORK		METROPOLITAN NEW YORK AND NEW JERSEY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.53	40.17	41.48	26.26
FACTORY EXPENSES	19.46	17.65	20.33	23.65
TOTAL FACTORY COST OF PRODUCT	64.99	57.82	61.81	49.91
GROSS PROFIT	35.01	42.18	38.19	50.09
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	16.34	16.39	16.80	11.56
Selling expenses	13.48	8.97	12.85	14.07
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	29.82	25.36	29.65	25.63
INCOME BEFORE INTEREST EXPENSE	5.19	16.82	8.54	24.46
Interest expense	3.07	2.30	4.86	2.80
OPERATING INCOME	2.12	14.52	3.68	21.66
Other income	0.79	1.66	1.74	1.75
INCOME BEFORE INCOME TAXES	2.91	16.18	5.42	23.41

EASTERN PENNA., MARYLAND AND D.C.		SOUTHEAST ATLANTIC		EAST NORTH CENTRAL		SOUTH CENTRAL	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
45.09	39.79	42.03	36.41	46.74	44.22	42.12	32.47
18.86	20.19	20.28	17.09	18.95	19.09	19.96	17.58
63.95	59.98	62.31	53.50	65.69	63.31	62.08	50.05
36.05	40.02	37.69	46.50	34.31	36.69	37.92	49.95
16.15	10.41	17.01	13.69	15.19	10.98	17.36	20.50
13.78	12.37	14.14	13.84	13.13	13.08	14.97	10.13
29.93	22.78	31.15	27.53	28.32	24.06	32.33	30.63
6.12	17.24	6.54	18.97	5.99	12.63	5.59	19.32
2.43	1.50	3.55	1.81	3.51	0.89	2.99	0.91
3.69	15.74	2.99	17.16	2.48	11.74	2.60	18.41
1.20	1.33	0.90	0.41	1.29	1.74	1.23	1.08
4.89	17.07	3.89	17.57	3.77	13.48	3.83	19.49

SUPPORTING SCHEDULES - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

	NEW ENGLAND AND UP-STATE NEW YORK		METROPOLITAN NEW YORK AND NEW JERSEY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.71%	2.79%	3.28%	3.69%
Direct wages	31.33	27.83	26.34	16.83
General factory salaries and wages	2.62	3.66	3.91	0.00
Packing, shipping and delivery wages	1.32	0.43	0.92	0.22
Payroll taxes	3.07	2.80	2.97	1.78
Employee benefits	3.48	2.66	4.06	3.74
TOTAL FACTORY PAYROLL	45.53	40.17	41.48	26.26
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.34	0.19	0.47	0.80
Depreciation - other	4.58	6.57	6.87	10.01
Taxes - real estate	0.33	0.19	0.35	0.41
Taxes - other	0.22	0.01	0.06	0.06
Insurance	0.96	1.29	1.21	1.69
Building rent	2.25	1.88	2.19	2.85
Utilities - heat, light, etc.	2.10	1.68	2.48	2.15
Equipment rental	0.48	0.26	0.19	0.01
Total Fixed Expenses	11.26	12.07	13.82	17.98
Other Expenses				
Factory supplies and expense	3.57	1.94	2.34	0.82
Packing, shipping and delivery expense	1.37	1.24	1.19	1.76
Repairs and maintenance	2.05	1.68	2.19	2.42
Other factory expenses	1.21	0.72	0.79	0.67
Total Other Expenses	8.20	5.58	6.51	5.67
TOTAL FACTORY EXPENSES	19.46	17.65	20.33	23.65
ADMINISTRATIVE EXPENSES				
Salaries - executive	4.78	5.25	4.68	3.48
Salaries - office	4.42	3.23	4.30	2.49
Payroll taxes	0.66	0.54	0.62	0.33
Employee benefits	1.02	0.78	1.01	0.87
Bad debts	0.58	0.12	0.47	0.20
Office supplies and expenses	0.80	0.38	0.67	0.80
Professional fees	0.82	1.19	1.14	0.70
Taxes - business	0.20	0.29	0.15	0.02
Telephone	0.79	0.65	0.67	0.77
Other administrative expenses	2.27	3.96	3.09	1.90
TOTAL ADMINISTRATIVE EXPENSES	16.34	16.39	16.80	11.56
SELLING EXPENSES				
Salaries - executive	1.88	1.11	1.55	3.17
Salaries and commissions - salesmen	6.24	4.12	5.86	4.48
Salaries - sales office clerical	1.06	1.03	0.92	0.00
Payroll taxes	0.53	0.43	0.59	0.43
Employee benefits	0.61	0.61	0.45	0.59
Advertising	0.53	0.26	0.82	1.93
Travel and entertainment	1.63	1.13	1.22	1.08
Other selling expenses	1.00	0.28	1.44	2.39
TOTAL SELLING EXPENSES	13.48	8.97	12.85	14.07

EASTERN PENNA., MARYLAND AND D.C.		SOUTHEAST ATLANTIC		EAST NORTH CENTRAL		SOUTH CENTRAL	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.67%	2.35%	3.24%	2.95%	3.83%	5.55%	3.05%	1.38%
30.37	21.61	28.08	25.20	26.83	21.23	29.67	25.71
3.34	7.05	4.02	1.46	6.19	6.49	1.89	0.56
1.83	1.62	1.30	1.37	1.47	1.94	1.40	0.19
3.02	2.76	2.80	2.33	3.10	2.99	2.83	2.24
3.86	4.40	2.59	3.10	5.32	6.02	3.28	2.39
45.09	39.79	42.03	36.41	46.74	44.22	42.12	32.47
0.33	0.31	0.43	0.39	0.88	0.72	0.36	0.00
3.79	4.19	5.58	4.03	4.15	2.89	4.72	3.60
0.34	0.28	0.18	0.38	0.35	0.62	0.23	0.07
0.13	0.10	0.50	0.24	0.62	0.89	0.42	0.24
1.15	0.92	0.91	1.12	0.79	0.27	0.91	1.20
2.00	2.20	2.01	0.70	1.46	0.47	1.93	3.28
2.11	1.40	2.00	1.90	2.22	2.36	1.90	1.15
0.64	0.69	0.94	0.89	0.70	0.02	0.53	0.10
10.49	10.09	12.55	9.65	11.17	8.24	11.00	9.64
3.52	2.84	3.22	3.64	2.85	4.98	3.72	4.26
1.71	2.46	1.43	1.57	1.56	1.54	1.75	1.34
1.81	1.42	2.10	1.72	2.28	2.33	1.99	1.57
1.33	3.38	0.98	0.51	1.09	2.00	1.50	0.77
8.37	10.10	7.73	7.44	7.78	10.85	8.96	7.94
18.86	20.19	20.28	17.09	18.95	19.09	19.96	17.58
4.85	2.67	4.98	3.53	4.47	2.21	5.93	9.63
4.06	2.30	4.45	3.23	3.75	3.19	4.10	5.17
0.67	0.41	0.58	0.47	0.63	0.38	0.72	1.25
0.97	0.61	0.79	0.76	0.84	0.58	0.98	0.83
0.39	0.22	0.88	1.30	0.51	0.88	0.53	0.15
0.78	0.61	0.86	0.74	0.71	0.33	0.71	0.96
1.12	0.91	0.80	0.56	0.78	0.54	0.86	0.54
0.29	0.09	0.36	1.47	0.55	0.71	0.38	0.45
0.84	0.77	0.97	0.63	0.71	0.30	0.81	0.82
2.18	1.82	2.34	1.00	2.24	1.86	2.34	0.70
16.15	10.41	17.01	13.69	15.19	10.98	17.36	20.50
2.79	1.64	2.17	1.44	2.72	1.41	2.82	0.40
5.78	5.51	6.74	8.08	4.76	3.82	6.61	6.54
0.97	1.23	1.01	1.03	1.21	3.44	1.07	0.54
0.52	0.35	0.52	0.41	0.60	0.45	0.63	0.57
0.61	0.90	0.50	0.61	0.64	0.74	0.68	0.46
0.59	0.41	0.79	0.35	0.78	0.33	0.69	0.31
1.38	1.32	1.29	1.42	1.30	0.85	1.41	1.15
1.14	1.01	1.12	0.50	1.12	2.04	1.06	0.16
13.78	12.37	14.14	13.84	13.13	13.08	14.97	10.13

REPORT ON OPERATIONS - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

	CHICAGO AREA		WEST NORTH CENTRAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	43.75	37.28	45.69	34.97
FACTORY EXPENSES	19.73	15.89	18.41	16.51
TOTAL FACTORY COST OF PRODUCT	63.48	53.17	64.10	51.48
GROSS PROFIT	36.52	46.83	35.90	48.52
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	15.16	14.04	16.63	18.91
Selling expenses	15.70	17.69	13.59	12.45
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	30.86	31.73	30.22	31.36
INCOME BEFORE INTEREST EXPENSE	5.66	15.10	5.68	17.16
Interest expense	2.58	1.58	3.29	2.08
OPERATING INCOME	3.08	13.52	2.39	15.08
Other income	0.77	1.70	1.17	1.39
INCOME BEFORE INCOME TAXES	3.85	15.22	3.56	16.47

PLAINS AND MOUNTAIN STATES		PACIFIC SOUTHWEST		PACIFIC NORTHWEST		CANADA	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
41.17	36.05	41.17	36.96	44.09	39.47	43.84	38.90
20.96	18.07	21.12	20.59	21.02	17.49	17.26	16.11
62.13	54.12	62.29	57.55	65.11	56.96	61.10	55.01
37.87	45.88	37.71	42.45	34.89	43.04	38.90	44.99
17.85	15.43	19.22	17.54	16.96	15.76	16.58	15.18
13.14	10.19	12.95	5.46	13.08	12.30	13.43	8.97
30.99	25.62	32.17	23.00	30.04	28.06	30.01	24.15
6.88	20.26	5.54	19.45	4.85	14.98	8.89	20.84
2.74	1.47	2.72	3.23	3.90	2.01	4.35	2.07
4.14	18.79	2.82	16.22	0.95	12.97	4.54	18.77
1.32	1.89	0.61	1.30	1.79	1.87	1.69	3.57
5.46	20.68	3.43	17.52	2.74	14.84	6.23	22.34

SUPPORTING SCHEDULES - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

	CHICAGO AREA		WEST NORTH CENTRAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.80%	2.00%	3.48%	2.33%
Direct wages	30.44	24.41	31.20	23.23
General factory salaries and wages	1.73	1.46	3.24	2.77
Packing, shipping and delivery wages	1.63	3.34	1.32	0.91
Payroll taxes	3.23	2.88	2.77	2.44
Employee benefits	3.92	3.19	3.68	3.29
TOTAL FACTORY PAYROLL	43.75	37.28	45.69	34.97
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.44	0.73	0.48	0.06
Depreciation - other	4.31	3.41	4.23	4.91
Taxes - real estate	0.39	0.71	0.23	0.11
Taxes - other	0.18	0.02	0.10	0.19
Insurance	1.00	0.54	0.99	0.59
Building rent	2.29	1.92	2.76	2.27
Utilities - heat, light, etc.	2.17	1.85	1.58	1.41
Equipment rental	0.44	0.26	1.25	1.45
Total Fixed Expenses	11.22	9.44	11.62	10.99
Other Expenses				
Factory supplies and expense	3.29	2.29	2.73	2.61
Packing, shipping and delivery expense	2.08	2.46	1.45	1.10
Repairs and maintenance	1.97	1.63	1.65	1.10
Other factory expenses	1.17	0.07	0.96	0.71
Total Other Expenses	8.51	6.45	6.79	5.52
TOTAL FACTORY EXPENSES	19.73	15.89	18.41	16.51
ADMINISTRATIVE EXPENSES				
Salaries - executive	4.99	5.58	5.39	8.16
Salaries - office	3.38	2.94	4.25	3.35
Payroll taxes	0.56	0.47	0.55	0.52
Employee benefits	0.88	0.87	0.90	1.14
Bad debts	0.51	0.39	0.67	0.54
Office supplies and expenses	0.74	0.38	0.71	0.68
Professional fees	0.64	0.66	0.76	1.37
Taxes - business	0.27	0.06	0.05	0.07
Telephone	0.84	0.60	0.77	0.67
Other administrative expenses	2.35	2.09	2.58	2.41
TOTAL ADMINISTRATIVE EXPENSES	15.16	14.04	16.63	18.91
SELLING EXPENSES				
Salaries - executive	3.58	2.46	2.74	2.35
Salaries and commissions - salesmen	5.62	7.28	6.04	6.50
Salaries - sales office clerical	0.85	1.47	0.70	0.51
Payroll taxes	0.57	0.67	0.43	0.44
Employee benefits	0.65	0.89	0.57	0.53
Advertising	0.67	0.52	0.72	0.58
Travel and entertainment	1.97	2.12	1.55	0.88
Other selling expenses	1.79	2.28	0.84	0.66
TOTAL SELLING EXPENSES	15.70	17.69	13.59	12.45

PLAINS AND MOUNTAIN STATES		PACIFIC SOUTHWEST		PACIFIC NORTHWEST		CANADA	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.60%	2.90%	2.66%	2.88%	2.74%	1.89%	3.53%	2.45%
28.20	26.25	30.47	28.03	31.22	29.38	32.75	28.10
3.32	1.94	1.40	0.54	1.69	0.71	2.99	3.47
1.17	0.91	1.16	0.90	1.12	1.21	1.15	1.73
2.53	2.11	2.84	3.20	4.11	2.92	1.08	0.93
2.35	1.94	2.64	1.41	3.21	3.36	2.34	2.22
41.17	36.05	41.17	36.96	44.09	39.47	43.84	38.90
0.18	0.23	0.29	0.00	0.19	0.21	0.55	0.34
5.45	5.11	3.98	6.35	5.70	4.76	4.58	5.03
0.26	0.19	0.06	0.00	0.21	0.25	0.59	0.40
0.55	0.39	0.37	0.20	0.37	0.29	0.10	0.05
0.89	1.04	1.33	2.17	1.06	0.94	0.59	0.57
2.60	1.96	3.53	3.03	3.90	2.83	2.34	2.13
1.90	1.55	1.40	1.51	1.18	1.19	1.31	1.12
1.88	1.53	1.64	0.19	1.26	0.33	0.44	0.47
13.71	12.00	12.60	13.45	13.87	10.80	10.50	10.11
2.59	1.82	3.49	2.00	2.98	3.59	2.10	1.79
1.53	1.16	1.93	1.58	1.47	0.95	1.75	1.43
1.98	1.92	2.13	3.01	1.85	1.59	2.01	2.14
1.15	1.17	0.97	0.55	0.85	0.56	0.90	0.64
7.25	6.07	8.52	7.14	7.15	6.69	6.76	6.00
20.96	18.07	21.12	20.59	21.02	17.49	17.26	16.11
6.24	5.16	5.96	7.60	5.27	6.15	4.30	4.52
4.27	3.24	4.61	2.85	3.33	2.54	4.81	4.01
0.65	0.62	0.68	0.42	0.74	0.45	0.19	0.15
0.78	0.73	0.78	0.58	0.88	0.82	0.45	0.42
0.87	0.92	0.61	0.52	0.92	0.66	1.57	1.56
0.85	0.71	0.83	0.66	0.81	0.59	1.00	0.83
0.79	0.58	1.37	0.73	1.00	0.88	1.05	0.93
0.16	0.10	0.31	0.86	0.93	0.48	0.25	0.27
0.80	0.58	0.88	0.81	0.80	0.55	0.83	0.52
2.44	2.79	3.19	2.51	2.28	2.64	2.13	1.97
17.85	15.43	19.22	17.54	16.96	15.76	16.58	15.18
2.39	1.71	1.84	1.59	1.97	2.09	1.98	1.56
5.99	4.43	5.89	1.15	6.17	5.81	6.32	4.11
1.07	0.88	0.46	0.25	0.94	1.44	1.11	0.37
0.46	0.27	0.37	0.23	0.64	0.57	0.18	0.05
0.42	0.32	0.32	0.14	0.59	0.60	0.32	0.24
0.92	0.84	0.98	0.75	0.80	0.45	0.91	0.58
1.07	1.03	1.42	0.77	1.31	0.89	1.83	1.49
0.82	0.71	1.67	0.58	0.66	0.45	0.78	0.57
13.14	10.19	12.95	5.46	13.08	12.30	13.43	8.97

REPORT ON OPERATIONS - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

	NEW ENGLAND AND UP-STATE NEW YORK		METROPOLITAN NEW YORK AND NEW JERSEY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	20.86	21.00	18.21	17.22
Other chargeable materials	4.69	4.30	5.92	5.37
Outside services	6.90	6.05	10.81	9.28
TOTAL MATERIAL	32.45	31.35	34.94	31.87
FACTORY PAYROLL	30.73	27.66	27.12	17.93
FACTORY EXPENSES	13.17	12.23	13.28	16.16
TOTAL FACTORY COST OF PRODUCT	76.35	71.24	75.34	65.96
GROSS PROFIT	23.65	28.76	24.66	34.04
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	11.19	11.34	10.77	7.84
Selling expenses	9.03	6.04	8.23	9.62
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.22	17.38	19.00	17.46
INCOME BEFORE INTEREST EXPENSE	3.43	11.38	5.66	16.58
Interest expense	2.05	1.54	2.95	1.89
OPERATING INCOME	1.38	9.84	2.71	14.69
Other income	0.51	1.04	1.06	1.19
INCOME BEFORE INCOME TAXES	1.89	10.88	3.77	15.88

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	1.13%	1.02%	1.59%	0.81%
Film	1.01	0.67	1.59	1.77
Plates	1.49	1.78	1.51	2.19
Other chargeable materials	1.06	0.83	1.23	0.60
TOTAL OTHER CHARGEABLE MATERIALS	4.69	4.30	5.92	5.37
OUTSIDE SERVICES				
Composition	0.26	0.00	1.48	0.15
Offset preparation	1.15	0.00	0.90	0.37
Printing	1.40	0.00	1.04	0.00
Binding	2.50	2.43	6.43	7.22
Other outside services	1.59	3.62	0.96	1.54
TOTAL OUTSIDE SERVICES	6.90	6.05	10.81	9.28

EASTERN PENNA., MARYLAND AND D.C.		SOUTHEAST ATLANTIC		EAST NORTH CENTRAL		SOUTH CENTRAL	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
21.16	18.27	22.68	26.20	22.73	23.04	22.12	20.79
5.03	4.04	5.52	3.79	5.25	9.15	4.77	3.37
8.67	8.25	6.87	7.06	6.00	2.36	9.68	7.60
34.86	30.56	35.07	37.05	33.98	34.55	36.57	31.76
29.32	27.74	27.30	23.03	31.02	29.10	26.73	22.23
12.31	14.32	13.12	10.55	12.44	12.45	12.74	12.11
76.49	72.62	75.49	70.63	77.44	76.10	76.04	66.10
23.51	27.38	24.51	29.37	22.56	23.90	23.96	33.90
10.42	7.28	11.11	8.57	10.01	7.12	11.03	13.73
8.90	8.34	9.20	9.03	8.50	8.62	9.32	6.69
19.32	15.62	20.31	17.60	18.51	15.74	20.35	20.42
4.19	11.76	4.20	11.77	4.05	8.16	3.61	13.48
1.59	1.05	2.30	1.08	2.32	0.55	1.91	0.67
2.60	10.71	1.90	10.69	1.73	7.61	1.70	12.81
0.72	0.83	0.59	0.12	0.83	1.19	0.79	0.67
3.32	11.54	2.49	10.81	2.56	8.80	2.49	13.48

1.44%	1.14%	1.20%	1.11%	1.38%	0.30%	1.55%	1.39%
1.03	0.91	1.44	1.13	1.17	2.51	1.05	1.98
1.43	1.17	1.19	0.70	1.06	1.63	1.18	0.00
1.13	0.82	1.69	0.85	1.64	4.71	0.99	0.00
5.03	4.04	5.52	3.79	5.25	9.15	4.77	3.37
1.43	1.39	0.55	0.71	0.66	0.21	0.95	1.63
0.72	0.91	1.37	2.17	1.67	0.00	2.41	1.61
1.70	1.64	2.39	0.71	1.28	0.68	1.88	3.59
2.73	2.85	0.85	1.38	1.53	0.26	1.97	0.09
2.09	1.46	1.71	2.09	0.86	1.21	2.47	0.68
8.67	8.25	6.87	7.06	6.00	2.36	9.68	7.60

SUPPORTING SCHEDULES - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

	NEW ENGLAND AND UP-STATE NEW YORK		METROPOLITAN NEW YORK AND NEW JERSEY	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.53%	1.96%	2.17%	2.56%
Direct wages	21.12	19.24	16.92	11.42
General factory salaries and wages	1.78	2.50	2.75	0.00
Packing, shipping and delivery wages	0.88	0.28	0.63	0.16
Payroll taxes	2.08	1.93	1.95	1.21
Employee benefits	2.34	1.75	2.70	2.58
TOTAL FACTORY PAYROLL	30.73	27.66	27.12	17.93
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.24	0.13	0.29	0.58
Depreciation - other	3.09	4.57	4.40	6.87
Taxes - real estate	0.22	0.12	0.21	0.30
Taxes - other	0.15	0.00	0.04	0.04
Insurance	0.66	0.92	0.76	1.13
Building rent	1.53	1.32	1.51	1.91
Utilities - heat, light, etc.	1.41	1.15	1.61	1.47
Equipment rental	0.33	0.20	0.15	0.01
Total Fixed Expenses	7.63	8.41	8.97	12.31
Other Expenses				
Factory supplies and expense	2.40	1.30	1.58	0.56
Packing, shipping and delivery expense	0.92	0.84	0.78	1.19
Repairs and maintenance	1.39	1.16	1.40	1.62
Other factory expenses	0.83	0.52	0.55	0.48
Total Other Expenses	5.54	3.82	4.31	3.85
TOTAL FACTORY EXPENSES	13.17	12.23	13.28	16.16
ADMINISTRATIVE EXPENSES				
Salaries - executive	3.28	3.62	2.98	2.39
Salaries - office	3.04	2.26	2.78	1.67
Payroll taxes	0.45	0.37	0.40	0.23
Employee benefits	0.70	0.52	0.65	0.58
Bad debts	0.41	0.08	0.26	0.15
Office supplies and expenses	0.54	0.26	0.42	0.53
Professional fees	0.56	0.87	0.71	0.48
Taxes - business	0.14	0.23	0.10	0.01
Telephone	0.53	0.44	0.43	0.52
Other administrative expenses	1.54	2.69	2.04	1.28
TOTAL ADMINISTRATIVE EXPENSES	11.19	11.34	10.77	7.84
SELLING EXPENSES				
Salaries - executive	1.24	0.74	1.05	2.09
Salaries and commissions - salesmen	4.20	2.81	3.60	3.18
Salaries - sales office clerical	0.72	0.69	0.65	0.00
Payroll taxes	0.36	0.29	0.38	0.29
Employee benefits	0.41	0.39	0.29	0.40
Advertising	0.36	0.18	0.54	1.27
Travel and entertainment	1.09	0.75	0.79	0.74
Other selling expenses	0.65	0.19	0.93	1.65
TOTAL SELLING EXPENSES	9.03	6.04	8.23	9.62

EASTERN PENNA., MARYLAND AND D.C.		SOUTHEAST ATLANTIC		EAST NORTH CENTRAL		SOUTH CENTRAL	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.75%	1.67%	2.14%	1.97%	2.50%	3.58%	1.93%	0.88%
19.63	14.91	18.25	15.83	17.68	13.91	18.87	17.75
2.26	5.07	2.58	0.91	4.21	4.38	1.19	0.35
1.20	1.09	0.83	0.88	0.93	1.26	0.88	0.12
1.97	1.94	1.82	1.47	2.05	1.96	1.81	1.54
2.51	3.06	1.68	1.97	3.65	4.01	2.05	1.59
29.32	27.74	27.30	23.03	31.02	29.10	26.73	22.23
0.20	0.22	0.28	0.24	0.57	0.48	0.22	0.00
2.52	2.91	3.60	2.51	2.72	1.84	3.06	2.53
0.22	0.21	0.12	0.25	0.23	0.42	0.14	0.04
0.08	0.06	0.32	0.16	0.41	0.59	0.26	0.15
0.75	0.66	0.59	0.70	0.52	0.18	0.59	0.86
1.31	1.53	1.29	0.43	0.96	0.29	1.24	2.17
1.34	0.97	1.31	1.18	1.46	1.54	1.20	0.80
0.43	0.52	0.64	0.61	0.47	0.01	0.34	0.07
6.85	7.08	8.15	6.08	7.34	5.35	7.05	6.62
2.28	1.97	2.07	2.13	1.86	3.24	2.41	2.90
1.11	1.70	0.91	0.95	1.01	1.01	1.08	0.93
1.17	1.01	1.34	1.07	1.49	1.53	1.27	1.11
0.90	2.56	0.65	0.32	0.74	1.32	0.93	0.55
5.46	7.24	4.97	4.47	5.10	7.10	5.69	5.49
12.31	14.32	13.12	10.55	12.44	12.45	12.74	12.11
3.10	1.80	3.27	2.17	2.97	1.44	3.76	6.42
2.63	1.60	2.88	2.06	2.47	2.10	2.61	3.45
0.43	0.28	0.38	0.29	0.42	0.25	0.46	0.84
0.62	0.43	0.52	0.50	0.55	0.38	0.62	0.55
0.25	0.16	0.59	0.83	0.33	0.56	0.35	0.10
0.50	0.44	0.56	0.47	0.47	0.21	0.46	0.66
0.73	0.66	0.53	0.35	0.51	0.36	0.53	0.36
0.19	0.07	0.22	0.83	0.34	0.46	0.24	0.31
0.54	0.57	0.63	0.41	0.47	0.18	0.52	0.56
1.43	1.27	1.53	0.66	1.48	1.18	1.48	0.48
10.42	7.28	11.11	8.57	10.01	7.12	11.03	13.73
1.78	1.12	1.39	0.94	1.78	0.90	1.82	0.26
3.77	3.67	4.40	5.27	3.06	2.57	4.04	4.33
0.62	0.80	0.66	0.69	0.79	2.27	0.65	0.35
0.34	0.23	0.34	0.28	0.39	0.29	0.40	0.38
0.39	0.61	0.32	0.40	0.41	0.49	0.41	0.30
0.38	0.28	0.53	0.25	0.52	0.21	0.44	0.21
0.88	0.91	0.83	0.87	0.84	0.56	0.89	0.76
0.74	0.72	0.73	0.33	0.71	1.33	0.67	0.10
8.90	8.34	9.20	9.03	8.50	8.62	9.32	6.69

REPORT ON OPERATIONS - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

	CHICAGO AREA		WEST NORTH CENTRAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	21.01	19.26	23.02	28.57
Other chargeable materials	5.11	3.71	4.38	3.94
Outside services	10.57	7.58	8.40	7.92
TOTAL MATERIAL	36.69	30.55	35.80	40.43
FACTORY PAYROLL	27.70	25.09	29.64	21.13
FACTORY EXPENSES	12.38	10.96	11.82	9.83
TOTAL FACTORY COST OF PRODUCT	76.77	66.60	77.26	71.39
GROSS PROFIT	23.23	33.40	22.74	28.61
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	9.63	9.96	10.64	11.16
Selling expenses	9.95	13.01	8.63	7.27
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	19.58	22.97	19.27	18.43
INCOME BEFORE INTEREST EXPENSE	3.65	10.43	3.47	10.18
Interest expense	1.58	1.09	2.09	1.23
OPERATING INCOME	2.07	9.34	1.38	8.95
Other income	0.49	1.18	0.75	0.80
INCOME BEFORE INCOME TAXES	2.56	10.52	2.13	9.75

SUPPORTING SCHEDULES - SALES = 100%

	CHICAGO AREA		WEST NORTH CENTRAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	1.20%	1.09%	1.48%	1.35%
Film	1.20	0.68	0.88	0.71
Plates	1.99	1.39	1.21	1.26
Other chargeable materials	0.72	0.55	0.81	0.62
TOTAL OTHER CHARGEABLE MATERIALS	5.11	3.71	4.38	3.94
OUTSIDE SERVICES				
Composition	0.94	0.73	0.40	0.01
Offset preparation	1.51	1.08	2.24	2.99
Printing	4.49	1.75	1.62	0.29
Binding	1.48	2.74	1.95	1.26
Other outside services	2.15	1.28	2.19	3.37
TOTAL OUTSIDE SERVICES	10.57	7.58	8.40	7.92

PLAINS AND MOUNTAIN STATES		PACIFIC SOUTHWEST		PACIFIC NORTHWEST		CANADA	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
19.82	18.15	19.91	23.95	20.08	19.72	21.98	21.94
6.22	6.23	3.60	1.78	4.53	3.68	5.29	5.58
8.89	6.88	10.90	11.21	9.64	8.25	9.04	6.55
34.93	31.26	34.41	36.94	34.25	31.65	36.31	34.07
26.70	24.95	27.11	23.28	28.64	26.98	27.91	25.53
13.59	12.48	13.78	12.97	13.97	12.01	11.01	10.71
75.22	68.69	75.30	73.19	76.86	70.64	75.23	70.31
24.78	31.31	24.70	26.81	23.14	29.36	24.77	29.69
11.58	10.58	12.72	11.25	11.16	10.77	10.62	10.09
8.31	6.87	8.46	3.44	8.61	8.33	8.48	5.84
19.89	17.45	21.18	14.69	19.77	19.10	19.10	15.93
4.89	13.86	3.52	12.12	3.37	10.26	5.67	13.76
1.72	0.99	1.77	2.10	2.60	1.37	2.77	1.44
3.17	12.87	1.75	10.02	0.77	8.89	2.90	12.32
0.87	1.30	0.41	0.86	1.14	1.24	1.03	2.13
4.04	14.17	2.16	10.88	1.91	10.13	3.93	14.45

1.26%	1.39%	1.08%	0.70%	1.03%	1.02%	1.34%	1.22%
1.92	2.53	0.93	0.41	1.06	0.84	1.17	1.37
1.25	0.93	0.96	0.58	0.95	1.03	1.22	1.85
1.79	1.38	0.63	0.09	1.49	0.79	1.56	1.14
6.22	6.23	3.60	1.78	4.53	3.68	5.29	5.58
1.16	1.10	1.07	0.28	1.56	0.29	1.26	0.92
1.35	0.63	1.49	1.80	1.36	1.71	2.12	1.61
3.49	3.40	4.51	1.90	2.38	1.70	1.98	0.82
1.46	0.60	1.56	7.23	2.54	3.39	2.29	1.32
1.43	1.15	2.27	0.00	1.80	1.16	1.39	1.88
8.89	6.88	10.90	11.21	9.64	8.25	9.04	6.55

SUPPORTING SCHEDULES - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

	CHIÇAGO AREA		WEST NORTH CENTRAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.78%	1.37%	2.26%	1.39%
Direct wages	19.27	16.39	20.31	14.20
General factory salaries and wages	1.10	1.12	2.07	1.56
Packing, shipping and delivery wages	1.03	2.14	0.84	0.58
Payroll taxes	2.04	1.93	1.79	1.45
Employee benefits	2.48	2.14	2.37	1.95
TOTAL FACTORY PAYROLL	27.70	25.09	29.64	21.13
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.30	0.56	0.30	0.03
Depreciation - other	2.71	2.32	2.71	2.84
Taxes - real estate	0.25	0.48	0.15	0.06
Taxes - other	0.11	0.02	0.06	0.12
Insurance	0.60	0.35	0.64	0.36
Building rent	1.42	1.30	1.75	1.30
Utilities - heat, light, etc.	1.36	1.27	1.00	0.84
Equipment rental	0.30	0.17	0.82	0.96
Total Fixed Expenses	7.05	6.47	7.43	6.51
Other Expenses				
Factory supplies and expense	2.08	1.65	1.76	1.58
Packing, shipping and delivery expense	1.27	1.67	0.96	0.70
Repairs and maintenance	1.24	1.12	1.06	0.66
Other factory expenses	0.74	0.05	0.61	0.38
Total Other Expenses	5.33	4.49	4.39	3.32
TOTAL FACTORY EXPENSES	12.38	10.96	11.82	9.83
ADMINISTRATIVE EXPENSES				
Salaries - executive	3.17	3.88	3.43	4.75
Salaries - office	2.14	2.07	2.76	2.07
Payroll taxes	0.35	0.33	0.36	0.31
Employee benefits	0.57	0.61	0.57	0.65
Bad debts	0.33	0.29	0.42	0.31
Office supplies and expenses	0.46	0.27	0.44	0.40
Professional fees	0.40	0.47	0.47	0.74
Taxes - business	0.17	0.04	0.03	0.05
Telephone	0.53	0.44	0.49	0.39
Other administrative expenses	1.51	1.56	1.67	1.49
TOTAL ADMINISTRATIVE EXPENSES	9.63	9.96	10.64	11.16
SELLING EXPENSES				
Salaries - executive	2.23	1.75	1.78	1.37
Salaries and commissions - salesmen	3.56	5.22	3.77	3.82
Salaries - sales office clerical	0.57	1.23	0.44	0.26
Payroll taxes	0.36	0.50	0.28	0.26
Employee benefits	0.42	0.66	0.36	0.31
Advertising	0.43	0.40	0.46	0.35
Travel and entertainment	1.23	1.47	0.99	0.51
Other selling expenses	1.15	1.78	0.55	0.39
TOTAL SELLING EXPENSES	9.95	13.01	8.63	7.27

PLAINS AND MOUNTAIN STATES		PACIFIC SOUTHWEST		PACIFIC NORTHWEST		CANADA	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.39%	2.09%	1.73%	1.83%	1.77%	1.27%	2.28%	1.63%
18.16	18.02	20.05	17.61	20.33	20.14	20.88	18.64
2.26	1.38	0.93	0.36	1.08	0.46	1.88	2.20
0.77	0.64	0.78	0.58	0.74	0.82	0.71	1.04
1.63	1.47	1.89	2.03	2.65	2.00	0.69	0.62
1.49	1.35	1.73	0.87	2.07	2.29	1.47	1.40
26.70	24.95	27.11	23.28	28.64	26.98	27.91	25.53
0.11	0.16	0.19	0.00	0.13	0.14	0.36	0.24
3.45	3.42	2.61	4.02	3.81	3.26	2.92	3.36
0.16	0.13	0.04	0.00	0.14	0.18	0.38	0.27
0.36	0.26	0.24	0.14	0.24	0.20	0.06	0.03
0.59	0.73	0.84	1.35	0.73	0.64	0.38	0.39
1.70	1.33	2.25	1.91	2.64	2.00	1.53	1.45
1.24	1.09	0.93	0.94	0.79	0.81	0.83	0.75
1.30	1.11	1.07	0.11	0.84	0.23	0.29	0.33
8.91	8.23	8.17	8.47	9.32	7.46	6.75	6.82
1.67	1.28	2.31	1.30	1.94	2.44	1.33	1.16
0.98	0.80	1.29	0.97	0.96	0.65	1.12	0.94
1.28	1.35	1.38	1.87	1.21	1.09	1.27	1.40
0.75	0.82	0.63	0.36	0.54	0.37	0.54	0.39
4.68	4.25	5.61	4.50	4.65	4.55	4.26	3.89
13.59	12.48	13.78	12.97	13.97	12.01	11.01	10.71
4.08	3.54	3.98	4.89	3.47	4.24	2.75	3.01
2.75	2.25	3.07	1.86	2.19	1.75	3.11	2.64
0.42	0.41	0.45	0.27	0.48	0.30	0.12	0.11
0.49	0.50	0.51	0.38	0.59	0.55	0.28	0.27
0.55	0.61	0.40	0.34	0.61	0.45	1.03	1.10
0.55	0.49	0.54	0.41	0.53	0.40	0.64	0.55
0.51	0.40	0.90	0.45	0.66	0.60	0.66	0.62
0.11	0.07	0.19	0.50	0.62	0.33	0.16	0.19
0.51	0.40	0.57	0.51	0.54	0.37	0.53	0.34
1.61	1.91	2.11	1.64	1.47	1.78	1.34	1.26
11.58	10.58	12.72	11.25	11.16	10.77	10.62	10.09
1.51	1.16	1.19	1.01	1.30	1.46	1.26	0.98
3.77	2.92	3.85	0.75	4.07	3.89	3.98	2.66
0.69	0.61	0.32	0.17	0.62	0.96	0.70	0.24
0.29	0.19	0.25	0.15	0.41	0.39	0.12	0.04
0.25	0.22	0.21	0.09	0.38	0.40	0.20	0.15
0.59	0.59	0.65	0.45	0.54	0.31	0.58	0.41
0.67	0.70	0.91	0.48	0.86	0.62	1.15	0.98
0.54	0.48	1.08	0.34	0.43	0.30	0.49	0.38
8.31	6.87	8.46	3.44	8.61	8.33	8.48	5.84

BALANCE SHEET - ALL FIRMS

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA. MARYLAND AND D.C.
ASSETS			
CURRENT ASSETS			
Cash	6.12%	5.83%	7.93%
Receivables	29.36	26.99	34.74
Inventories	12.44	9.87	10.97
Other current assets	7.15	2.45	5.24
TOTAL CURRENT ASSETS	55.07	45.14	58.88
FIXED ASSETS			
Real estate	10.32	12.00	11.84
Less: Accumulated depreciation	2.67	2.09	3.89
	7.65	9.91	7.95
Machinery and equipment	68.60	68.50	63.97
Less: Accumulated depreciation	38.74	34.30	37.91
	29.86	34.20	26.06
Other fixed assets	8.81	10.62	7.48
Less: Accumulated depreciation	4.89	3.32	3.96
	3.92	7.30	3.52
NET FIXED ASSETS	41.43	51.41	37.53
OTHER ASSETS	3.50	3.45	3.59
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	9.47	12.39	8.42
Accounts payable	14.28	13.59	16.28
Other current liabilities	9.09	7.86	9.71
TOTAL CURRENT LIABILITIES	32.84	33.84	34.41
LONG-TERM LIABILITIES	27.01	27.53	22.31
TOTAL LIABILITIES	59.85	61.37	56.72
SHAREHOLDERS' AND PROPRIETORS' EQUITY	40.15	38.63	43.28
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.68	1.33	1.71
QUICK RATIO	1.30	1.04	1.39
TOTAL LIABILITIES TO EQUITY	1.49	1.59	1.31
LONG-TERM LIABILITIES TO EQUITY	0.67	0.71	0.52
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.56	0.50	0.59

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
6.56%	5.42%	7.81%	5.09%	7.30%	10.41%	9.25%	6.26%	4.57%
31.36	33.50	31.91	34.94	32.62	30.87	34.45	28.41	33.89
11.34	12.97	13.29	13.31	14.10	11.30	9.27	13.33	12.97
4.23	3.43	4.51	5.06	4.78	3.14	4.33	3.92	5.15
53.49	55.32	57.52	58.40	58.80	55.72	57.30	51.92	56.58
9.83	17.04	11.77	11.11	7.09	7.16	8.94	4.28	9.91
3.84	6.51	3.54	4.53	2.87	2.48	5.30	1.71	2.44
5.99	10.53	8.23	6.58	4.22	4.68	3.64	2.57	7.47
67.45	62.41	64.22	73.34	64.67	65.16	69.54	73.85	67.98
34.65	37.35	38.29	46.33	36.40	35.04	39.56	38.81	37.50
32.80	25.06	25.93	27.01	28.27	30.12	29.98	35.04	30.48
8.00	6.95	8.67	6.96	8.46	8.35	11.89	9.28	5.36
3.79	3.36	4.91	4.15	4.57	3.91	7.19	5.09	2.92
4.21	3.59	3.76	2.81	3.89	4.44	4.70	4.19	2.44
43.00	39.18	37.92	36.40	36.38	39.24	38.32	41.80	40.39
3.51	5.50	4.56	5.20	4.82	5.04	4.38	6.28	3.03
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
8.18	7.79	9.82	6.86	6.41	8.55	8.89	9.75	9.72
13.21	13.90	14.22	13.91	12.24	13.34	14.76	11.15	14.90
6.74	8.30	8.71	9.51	10.23	8.26	8.92	8.86	11.14
28.13	29.99	32.75	30.28	28.88	30.15	32.57	29.76	35.76
29.67	24.39	23.25	29.34	25.47	22.17	27.14	35.12	28.76
57.80	54.38	56.00	59.62	54.35	52.32	59.71	64.88	64.52
42.20	45.62	44.00	40.38	45.65	47.68	40.29	35.12	35.48
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.90	1.84	1.76	1.93	2.04	1.85	1.76	1.74	1.58
1.50	1.41	1.35	1.49	1.55	1.47	1.47	1.30	1.22
1.37	1.19	1.27	1.48	1.19	1.10	1.48	1.85	1.82
0.70	0.53	0.53	0.73	0.56	0.46	0.67	1.00	0.81
0.51	0.60	0.60	0.63	0.56	0.54	0.57	0.53	0.55

SIGNIFICANT FACTS - ALL FIRMS

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA. MARYLAND AND D.C.
INVESTMENT			
Average assets per employee - All employees	$ 28,128	$ 50,670	$ 27,905
Average assets per factory employee (Excluding Executives)	39,835	71,574	39,752
Average net worth per employee - All employees	11,610	21,423	12,108
Average gross plant investment per factory employee (Excluding Executives)	33,782	68,150	31,797
Net worth percentage of fixed assets	114.56%	76.89%	150.95%
EMPLOYEES			
Percent factory - All employees	76.01%	75.47%	74.34%
Percent administrative - All employees	12.67	14.69	14.54
Percent sales - All employees	11.32	9.84	11.12
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 53,929	$ 77,607	$ 61,147
Sales per factory employee	71,624	103,076	83,985
Sales less material per factory employee	47,907	65,610	53,541
Sales per administrative employee	523,021	666,737	519,369
EXCLUDING EXECUTIVES			
Sales per employee - All employees	59,342	85,785	68,382
Sales per factory employee	75,905	109,865	88,458
Sales less material per factory employee	50,770	69,888	56,337
SALES PER SALESMAN	528,025	761,980	590,676
SALES TO CURRENT ASSETS	412%	398%	434%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	45.15%	39.89%	42.99%
Factory payroll percentage of gross plant investment	77.93	59.30	95.00
Payroll per employee - All employees	$ 23,530	$ 28,996	$ 25,692
Payroll per factory employee	20,966	26,088	23,634
Payroll per administrative employee	30,475	34,355	28,729
Payroll per sales employee	33,474	51,203	38,650
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 18,172	$ 21,319	$ 19,943
Payroll per factory employee	17,164	20,365	19,371
Payroll per administrative employee	16,135	16,743	15,352
Payroll per sales employee	26,975	36,377	29,505
EXECUTIVE PAYROLL			
Payroll per executive - All executives	48,900	59,528	44,831
Payroll per factory executive	34,226	29,155	26,153
Payroll per administrative executive	59,968	67,565	46,268
Payroll per sales executive	40,714	39,238	34,809
RECEIVABLES			
Collection period	52.5	56.4	54.2
PROFIT			
Gross profit percentage of sales	23.65%	24.66%	23.51%
Average gross profit per factory employee	$ 18,759	$ 27,665	$ 21,076
Income before taxes percentage of sales	1.89%	3.77%	3.32%
Average income before taxes per employee	$ 1,533	$ 4,104	$ 2,320

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
$ 24,926	$ 28,349	$ 31,120	$ 33,547	$ 29,541	$ 28,714	$ 24,112	$ 29,963	$ 33,938
35,824	39,195	45,279	48,442	43,648	41,948	36,839	44,876	55,619
10,695	13,309	14,204	14,833	12,582	14,864	10,035	9,442	12,741
28,769	33,188	35,535	42,139	34,994	33,765	31,120	38,682	44,045
108.77%	130.98%	147.87%	147.88%	301.41%	162.17%	150.97%	94.08%	154.33%
74.14%	77.28%	73.13%	73.46%	73.57%	72.59%	70.88%	71.48%	70.68%
13.97	11.85	14.45	13.23	14.79	15.73	18.21	14.81	16.43
11.89	10.87	12.42	13.31	11.64	11.68	10.91	13.71	12.89
$ 49,384	$ 56,750	$ 62,277	$ 72,170	$ 61,666	$ 58,352	$ 61,152	$ 64,013	$ 61,855
67,433	73,772	86,103	99,575	85,951	81,595	87,540	91,581	91,768
43,613	48,185	53,539	62,261	53,865	52,202	56,800	59,231	57,537
453,913	604,702	554,844	673,363	480,389	602,126	474,011	463,814	489,368
54,773	63,543	70,419	82,933	69,387	66,719	70,943	72,812	72,513
71,227	78,565	91,569	105,385	91,322	87,182	93,412	97,606	100,311
46,091	51,257	56,960	65,906	57,274	55,914	60,572	63,126	63,053
403,878	714,388	560,252	568,846	476,968	392,182	388,690	475,432	493,837
415%	394%	406%	429%	411%	452%	686%	598%	380%
41.46%	43.85%	41.50%	41.08%	43.40%	40.96%	40.92%	42.15%	40.45%
71.42	90.78	74.14	88.99	187.93	96.29	101.84	89.57	74.09
$ 20,050	$ 24,556	$ 25,223	$ 28,870	$ 25,824	$ 23,276	$ 24,551	$ 26,207	$ 24,124
17,599	22,429	22,008	26,221	23,626	20,838	22,999	25,199	24,520
25,541	30,484	32,339	34,502	29,390	29,231	25,978	27,054	23,049
29,990	34,347	38,285	39,072	38,144	31,072	30,787	28,810	28,716
$ 15,825	$ 18,248	$ 19,241	$ 22,054	$ 19,893	$ 18,362	$ 19,786	$ 20,541	$ 21,159
14,640	17,545	18,162	21,447	19,580	17,630	19,414	20,632	22,044
14,059	16,231	16,323	17,349	15,118	14,869	14,496	13,383	15,647
23,590	23,475	28,767	27,588	27,537	24,000	21,934	21,927	24,196
36,366	41,927	45,009	48,472	43,024	41,959	33,147	36,074	33,721
26,951	31,314	26,587	28,554	25,853	26,169	17,053	24,032	29,759
43,868	49,967	57,033	59,725	52,917	47,146	35,918	40,867	34,089
31,134	44,671	38,031	43,862	41,896	33,393	28,227	26,596	26,022
56.3	59.5	56.2	55.4	55.4	54.7	48.7	44.4	65.0
24.51%	22.56%	23.96%	23.23%	22.74%	24.78%	24.70%	23.14%	24.77%
$ 18,323	$ 17,698	$ 22,138	$ 25,294	$ 21,658	$ 22,061	$ 23,432	$ 22,908	$ 25,289
2.49%	2.56%	2.49%	2.56%	2.13%	4.04%	2.16%	1.91%	3.93%
$ 1,483	$ 1,645	$ 1,705	$ 2,237	$ 1,691	$ 2,795	$ 1,381	$ 1,421	$ 2,891

RETURN ON INVESTMENT - PER $100 OF SALES - ALL FIRMS

	NEW ENGLAND AND UP-STATE NEW YORK	METROPOLITAN NEW YORK AND NEW JERSEY	EASTERN PENNA., MARYLAND AND D.C.
INVESTMENT			
Current Assets:			
Cash	$ 3.05	$ 3.93	$ 3.52
Receivables	14.20	15.13	14.63
Inventories	5.89	5.14	4.53
Marketable securities	2.06	0.25	0.84
Other current assets	1.90	1.31	1.48
	27.10	25.76	25.00
Plant Investment:			
Land and building	6.66	10.32	6.57
Machinery and equipment	34.35	41.88	27.33
Other fixed assets	4.18	7.15	3.08
	45.19	59.35	36.98
Non-Current Assets	2.25	2.02	1.67
TOTAL INVESTMENT	74.54	87.13	63.65
INVESTMENT TURNOVER PER $100 OF SALES	134.16%	114.77%	157.11%
EARNINGS			
Cost of Product	$76.35	$75.34	$76.49
Selling Expenses	9.03	8.23	8.90
Administrative Expenses	11.19	10.77	10.42
	96.57	94.34	95.81
Income Before Interest, Other Income, and Taxes	3.43	5.66	4.19
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	4.60%	6.50%	6.58%

SOUTHEAST ATLANTIC	EAST NORTH CENTRAL	SOUTH CENTRAL	CHICAGO AREA	WEST NORTH CENTRAL	PLAINS AND MOUNTAIN STATES	PACIFIC SOUTHWEST	PACIFIC NORTHWEST	CANADA
$ 3.35	$ 2.52	$ 3.72	$ 2.55	$ 3.11	$ 5.10	$ 3.77	$ 2.96	$ 2.77
15.00	15.97	15.11	14.83	14.85	14.60	12.94	11.76	16.82
5.51	6.14	6.17	7.18	6.31	5.47	3.52	5.75	6.47
0.74	1.16	1.27	1.17	1.37	1.11	0.65	0.37	1.41
1.55	0.98	1.19	1.16	1.04	0.83	1.19	1.42	1.44
26.15	26.77	27.46	26.89	26.68	27.11	22.07	22.26	28.91
5.01	10.58	6.70	7.83	3.65	3.88	4.65	2.47	6.74
33.00	30.01	29.16	32.37	31.71	31.94	25.23	33.65	35.02
3.89	3.28	4.09	3.38	3.72	3.99	4.29	3.96	2.67
41.90	43.87	39.95	43.58	39.08	39.81	34.17	40.08	44.43
2.05	3.32	2.26	3.06	2.19	2.83	2.09	3.21	2.05
70.10	73.96	69.67	73.53	67.95	69.75	58.33	65.55	75.39
142.65%	135.21%	143.53%	136.00%	147.17%	143.37%	171.44%	152.56%	132.64%
$75.49	$77.44	$76.04	$76.77	$77.26	$75.22	$75.30	$76.86	$75.23
9.20	8.50	9.32	9.95	8.63	8.31	8.46	8.61	8.48
11.11	10.01	11.03	9.63	10.64	11.58	12.72	11.16	10.62
95.80	95.95	96.39	96.35	96.53	95.11	96.48	96.63	94.33
4.20	4.05	3.61	3.65	3.47	4.89	3.52	3.37	5.67
5.99%	5.48%	5.18%	4.96%	5.11%	7.01%	6.03%	5.14%	7.52%

ABSOLUTE DATA

		AVERAGE FIRM REPORTING**		
	NUMBER OF PARTICIPATING FIRMS	TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	653	$1,663,000	$ 3,227,000	$ 132,000
TOTAL - PROFIT LEADERS*	103	2,410,000	4,194,000	512,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$250,000	20	97,000	185,000	(3,000)
$250,000-$500,000	63	184,000	398,000	10,000
$500,000-$1,500,000	184	450,000	942,000	19,000
$1,500,000-$5,000,000	263	1,407,000	2,802,000	85,000
$5,000,000-$10,000,000	87	3,584,000	6,858,000	259,000
Over $10,000,000	36	8,547,000	15,878,000	1,035,000
PROFIT LEADERS				
0-$250,000	2	221,000	229,000	31,000
$250,000-$500,000	11	202,000	397,000	48,000
$500,000-$1,500,000	25	551,000	941,000	112,000
$1,500,000-$5,000,000	37	1,510,000	2,582,000	330,000
$5,000,000-$10,000,000	15	4,108,000	7,024,000	824,000
Over $10,000,000	13	8,796,000	15,598,000	1,903,000
BY GEOGRAPHIC REGIONS				
ALL FIRMS				
New England and Up-State New York	62	1,871,000	3,656,000	149,000
Metropolitan New York and New Jersey	12	2,277,000	3,972,000	69,000
Eastern Penna., Maryland and D.C.	54	1,941,000	4,097,000	222,000
Southeast Atlantic	55	1,610,000	2,975,000	130,000
East North Central	33	2,619,000	4,996,000	263,000
South Central	55	2,027,000	3,870,000	101,000
Chicago Area	43	2,529,000	4,484,000	179,000
West North Central	53	1,342,000	2,699,000	68,000
Plains and Mountain States	82	1,422,000	2,639,000	107,000
Pacific Southwest	50	729,000	1,792,000	43,000
Pacific Northwest	49	1,151,000	2,670,000	84,000
Canada	105	1,542,000	2,835,000	156,000
PROFIT LEADERS				
New England and Up-State New York	7	3,327,000	4,731,000	578,000
Metropolitan New York and New Jersey	3	1,937,000	2,082,000	321,000
Eastern Penna., Maryland and D.C.	9	4,671,000	8,435,000	1,105,000
Southeast Atlantic	6	3,924,000	7,299,000	741,000
East North Central	3	10,323,000	16,491,000	1,456,000
South Central	4	750,000	1,669,000	245,000
Chicago Area	6	2,008,000	3,511,000	365,000
West North Central	7	1,099,000	2,475,000	234,000
Plains and Mountain States	23	1,625,000	2,755,000	399,000
Pacific Southwest	6	569,000	1,178,000	124,000
Pacific Northwest	8	1,359,000	2,631,000	257,000
Canada	21	2,295,000	4,139,000	578,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 43.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	

62.2% divided by 3 = 20.7%

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Printing
Industries of
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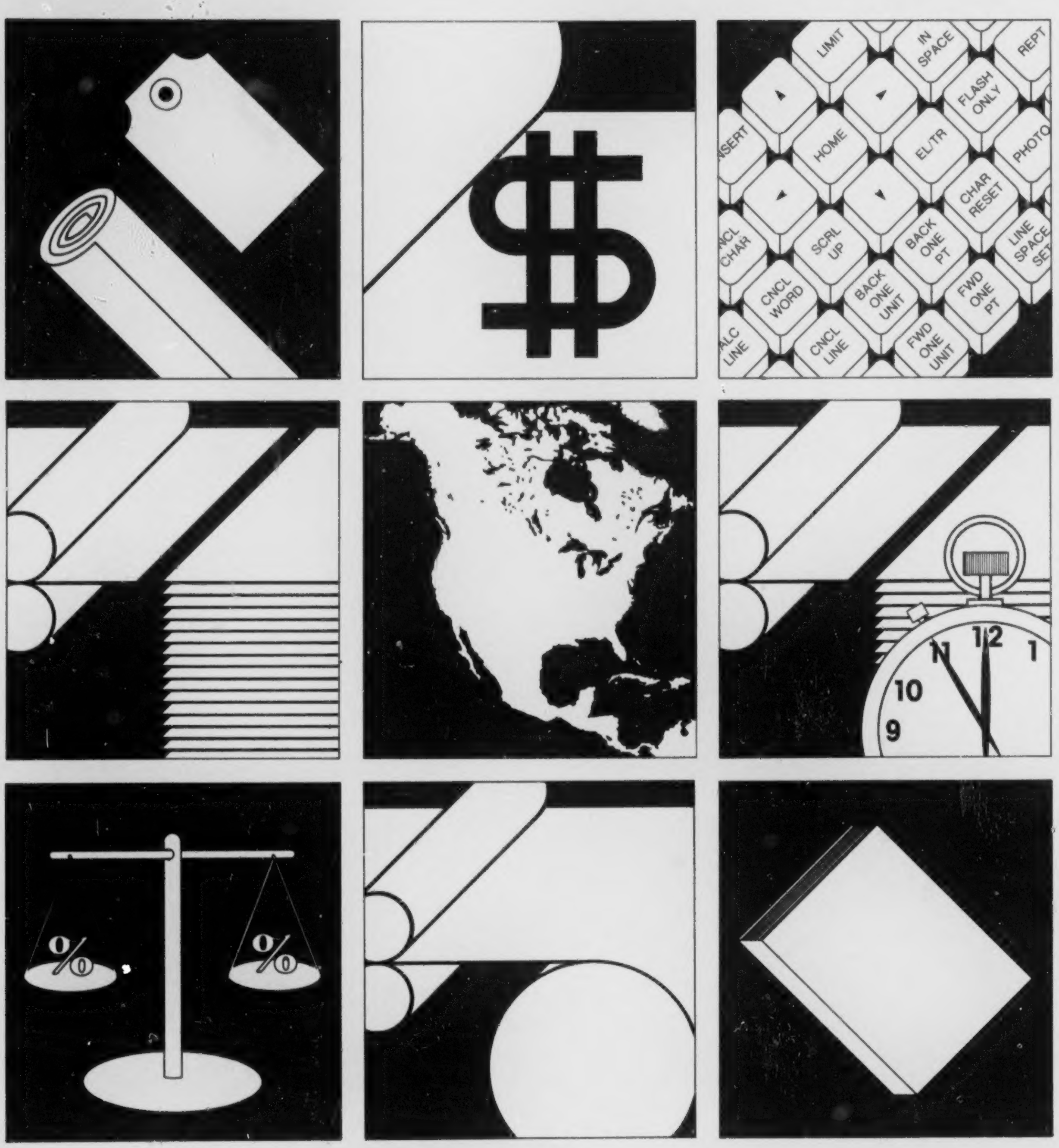
1983
Financial Ratios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Volume VI

Web Offset Printers—Heatset

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management
  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

HEATSET WEB OFFSET

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PRINTING INDUSTRIES OF AMERICA, INC.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

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Printed in U.S.A.

H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1983 PIA FINANCIAL RATIOS FOR HEATSET WEB OFFSET PRINTERS. This Ratio Study was developed on the basis of questionnaires volunteered by 68 firms and presents the ratios and statistics of Heatset Web Offset Printers by sales volume, product, and percentage of paper supplied.

Thus the user of the report can direct himself to the standards for his sales size - for example, sales to $1.5 million, sales from $1.5 to $5 million, etc.; product specialty - for example, Commercial and Advertising, Magazine and Periodical, etc.; and percentage of paper supplied - for example, 0% to 11%, 11% to 21%, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H. R Margolis Company

H. R. MARGOLIS COMPANY

1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Jim Olsen
Vice-President
Management Services
Printing Industries of America, Inc.
1730 North Lynn Street
Arlington, VA 22209 — (703) 841-8139

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PIA's Web Offset Section is the Association's most senior Special Industry Group. Over 700 firms are involved with the Section's special activities, and over 1,000 people attend the Annual Web Offset Meeting each year, where they hear discussions and exchange information on the technology and problems unique to web offset production. Summaries and transcriptions of these sessions are published by the Section in the form of the *Web Offset Proceedings*, and are available for the use of industry firms.

In addition to the *Proceedings* several other special reports of interest to heatset web firms and equipment suppliers are produced by the Web Offset Section. Two of the most widely used of these publications are the *Web Offset Directory*, which lists most heatset web plants in the United States and Canada; and the companion volume, *Web Offset Product Catalog*, which describes the primary products printed by the companies listed in the *Directory*. These publications can be a powerful marketing resource for firms considering web equipment, and for web equipment suppliers.

Additional information about WOS publications and activities is available from the Web Offset Section.

Ed Hill

Edward W. Hill, Jr.
Executive Director
Web Offset Section
(703) 841-8140

VALUE ADDED -- WHAT IT MEANS TO YOU

VALUE ADDED DEFINED

Value added is simply your sales less material costs, which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$ 23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services -- composition, offset preparation, printing, bindery, etc.

KNOWN BY OTHER TERMS

Value added is also known by such other terms as inside sales, conversion value, inside manufacturing value and real contribution to overhead and profit. Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

CONCEPTUAL UNDERSTANDING OF VALUE ADDED

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry.

Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the value added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

STATEMENT OF OPERATIONS -- VALUE ADDED: THE BETTER STATEMENT

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	47.51	41.94	40.31
FACTORY EXPENSES	22.23	21.37	24.98
TOTAL FACTORY COST OF PRODUCT	69.74	63.31	65.29
GROSS PROFIT	30.26	36.69	34.71
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	10.66	8.83	15.93
Selling expenses	8.03	6.74	10.58
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	18.69	15.57	26.51
INCOME BEFORE INTEREST EXPENSE	11.57	21.12	8.20
Interest expense	3.53	3.01	5.03
OPERATING INCOME	8.04	18.11	3.17
Other income	1.47	1.77	1.01
INCOME BEFORE INCOME TAXES	9.51	19.88	4.18

* See page 10 for the definition of "Profit Leaders."

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X
X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
47.25	38.84	47.58	42.48	49.16	43.22
20.17	19.91	23.26	23.07	22.01	20.68
67.42	58.75	70.84	65.55	71.17	63.90
32.58	41.25	29.16	34.45	28.83	36.10
12.86	11.92	9.24	8.19	9.24	7.66
9.13	7.28	7.07	5.83	7.27	7.42
21.99	19.20	16.31	14.02	16.51	15.08
10.59	22.05	12.85	20.43	12.32	21.02
5.36	4.60	3.17	3.12	2.92	2.08
5.23	17.45	9.68	17.31	9.40	18.94
1.62	0.23	1.90	1.79	1.47	2.52
6.85	17.68	11.58	19.10	10.87	21.46

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.25%	1.94%	1.08%
Direct wages	30.63	27.95	29.85
General factory salaries and wages	5.31	4.23	3.40
Packing, shipping and delivery wages	1.27	0.99	0.81
Payroll taxes	2.95	2.45	2.82
Employee benefits	5.10	4.38	2.35
TOTAL FACTORY PAYROLL	47.51	41.94	40.31
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.57	0.44	0.36
Depreciation - other	5.38	5.94	6.48
Taxes - real estate	0.45	0.37	0.59
Taxes - other	0.26	0.17	0.26
Insurance	0.45	0.33	0.67
Building rent	1.05	1.12	1.96
Utilities - heat, light, etc.	3.13	3.10	2.72
Equipment rental	0.68	0.26	2.42
Total Fixed Expenses	11.97	11.73	15.46
Other Expenses			
Factory supplies and expense	4.40	4.68	3.57
Packing, shipping and delivery expense	1.41	1.17	1.28
Repairs and maintenance	2.93	2.47	2.88
Other factory expenses	1.52	1.32	1.79
Total Other Expenses	10.26	9.64	9.52
TOTAL FACTORY EXPENSES	22.23	21.37	24.98
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.26	2.30	4.50
Salaries - office	2.68	2.10	4.34
Payroll taxes	0.32	0.24	0.63
Employee benefits	0.75	0.76	0.58
Bad debts	0.94	0.72	1.80
Office supplies and expenses	0.49	0.51	0.42
Professional fees	0.72	0.49	0.78
Taxes - business	0.11	0.11	0.22
Telephone	0.51	0.38	1.00
Other administrative expenses	1.88	1.22	1.66
TOTAL ADMINISTRATIVE EXPENSES	10.66	8.83	15.93
SELLING EXPENSES			
Salaries - executive	1.03	1.10	2.17
Salaries and commissions - salesmen	3.29	2.62	4.80
Salaries - sales office clerical	0.97	0.49	0.52
Payroll taxes	0.24	0.14	0.33
Employee benefits	0.39	0.30	0.36
Advertising	0.28	0.22	0.75
Travel and entertainment	0.72	0.50	0.91
Other selling expenses	1.11	1.37	0.74
TOTAL SELLING EXPENSES	8.03	6.74	10.58

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.04%	1.82%	2.73%	1.80%	2.25%	2.11%
33.11	29.08	29.38	26.74	30.66	28.54
3.18	2.46	5.42	5.03	6.45	4.56
1.80	0.62	1.36	0.69	1.17	1.27
3.05	2.36	3.21	2.71	2.81	2.34
4.07	2.50	5.48	5.51	5.82	4.40
47.25	38.84	47.58	42.48	49.16	43.22
1.24	0.48	0.43	0.47	0.47	0.44
4.82	5.21	5.84	6.26	5.26	5.86
0.32	0.43	0.46	0.33	0.47	0.42
0.41	0.00	0.20	0.14	0.24	0.26
0.65	0.78	0.36	0.29	0.37	0.23
0.72	1.19	1.37	1.80	0.71	0.48
3.04	3.89	3.28	2.84	3.08	3.14
0.27	0.00	0.44	0.25	0.64	0.34
11.47	11.98	12.38	12.38	11.24	11.17
4.11	3.76	4.28	5.00	4.72	4.81
0.80	0.49	2.19	0.94	1.31	1.34
3.14	3.26	2.93	2.89	2.93	1.99
0.65	0.42	1.48	1.86	1.81	1.37
8.70	7.93	10.88	10.69	10.77	9.51
20.17	19.91	23.26	23.07	22.01	20.68
4.00	3.98	1.75	1.50	1.52	1.97
2.50	2.96	2.51	2.14	2.20	1.68
0.28	0.32	0.35	0.27	0.22	0.16
0.90	0.98	0.71	0.75	0.66	0.73
1.24	0.42	0.57	0.47	0.89	0.77
0.38	0.51	0.69	0.57	0.44	0.51
0.90	0.75	0.39	0.46	0.79	0.42
0.23	0.25	0.09	0.07	0.06	0.11
0.44	0.41	0.48	0.40	0.46	0.34
1.99	1.34	1.70	1.56	2.00	0.97
12.86	11.92	9.24	8.19	9.24	7.66
0.83	1.49	0.93	0.40	0.97	1.22
4.56	1.69	2.29	2.15	3.04	3.41
1.02	0.60	0.88	0.36	0.96	0.58
0.32	0.18	0.26	0.18	0.17	0.12
0.32	0.22	0.37	0.30	0.43	0.34
0.23	0.03	0.34	0.35	0.19	0.18
0.62	0.62	0.65	0.41	0.66	0.55
1.23	2.45	1.35	1.68	0.85	1.02
9.13	7.28	7.07	5.83	7.27	7.42

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	30.83	28.21	34.59
Other chargeable materials	7.06	7.68	4.67
Outside services	4.65	4.65	5.26
TOTAL MATERIAL	42.54	40.54	44.52
FACTORY PAYROLL	27.33	25.13	22.17
FACTORY EXPENSES	12.74	12.79	13.82
TOTAL FACTORY COST OF PRODUCT	82.61	78.46	80.51
GROSS PROFIT	17.39	21.54	19.49
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	6.07	5.19	8.78
Selling expenses	4.64	4.06	5.82
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	10.71	9.25	14.60
INCOME BEFORE INTEREST EXPENSE	6.68	12.29	4.89
Interest expense	1.98	1.71	2.85
OPERATING INCOME	4.70	10.58	2.04
Other income	0.84	1.08	0.51
INCOME BEFORE INCOME TAXES	5.54	11.66	2.55

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
OTHER CHARGEABLE MATERIALS			
Ink	4.45%	5.36%	2.72%
Film	0.76	0.66	0.96
Plates	0.84	0.65	0.76
Other chargeable materials	1.01	1.01	0.23
TOTAL OTHER CHARGEABLE MATERIALS	7.06	7.68	4.67
OUTSIDE SERVICES			
Composition	0.18	0.09	0.20
Offset preparation	1.20	1.07	0.79
Printing	1.18	1.28	1.06
Binding	1.17	1.00	3.17
Other outside services	0.92	1.21	0.04
TOTAL OUTSIDE SERVICES	4.65	4.65	5.26

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
32.67	29.00	28.11	26.85	30.95	28.06
5.25	5.14	7.67	7.84	7.95	8.96
6.24	7.64	3.96	4.43	4.15	4.41
44.16	41.78	39.74	39.12	43.05	41.43
26.47	22.87	28.76	26.15	28.00	25.46
11.19	11.49	13.91	14.08	12.55	12.28
81.82	76.14	82.41	79.35	83.60	79.17
18.18	23.86	17.59	20.65	16.40	20.83
6.90	6.83	5.58	4.82	5.28	4.48
5.23	4.36	4.37	3.73	4.11	4.32
12.13	11.19	9.95	8.55	9.39	8.80
6.05	12.67	7.64	12.10	7.01	12.03
2.93	2.49	1.84	1.67	1.64	1.24
3.12	10.18	5.80	10.43	5.37	10.79
0.84	0.14	1.17	1.07	0.84	1.56
3.96	10.32	6.97	11.50	6.21	12.35

2.99%	3.40%	3.69%	4.78%	5.55%	6.73%
0.82	1.00	1.00	0.79	0.65	0.59
1.16	0.74	0.86	0.49	0.79	0.80
0.28	0.00	2.12	1.78	0.96	0.84
5.25	5.14	7.67	7.84	7.95	8.96
0.43	0.30	0.15	0.05	0.13	0.07
1.41	1.55	1.41	1.89	1.14	0.75
1.47	1.93	1.30	0.63	1.05	1.46
0.50	0.55	0.78	1.30	0.93	1.07
2.43	3.31	0.32	0.56	0.90	1.06
6.24	7.64	3.96	4.43	4.15	4.41

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	1.27%	1.13%	0.61%
Direct wages	17.64	16.81	16.42
General factory salaries and wages	3.08	2.54	1.85
Packing, shipping and delivery wages	0.73	0.59	0.46
Payroll taxes	1.70	1.49	1.54
Employee benefits	2.91	2.57	1.29
TOTAL FACTORY PAYROLL	27.33	25.13	22.17
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.31	0.26	0.19
Depreciation - other	3.10	3.53	3.62
Taxes - real estate	0.25	0.21	0.32
Taxes - other	0.15	0.11	0.14
Insurance	0.25	0.19	0.37
Building rent	0.62	0.70	1.09
Utilities - heat, light, etc.	1.79	1.82	1.50
Equipment rental	0.37	0.16	1.28
Total Fixed Expenses	6.84	6.98	8.51
Other Expenses			
Factory supplies and expense	2.57	2.86	1.97
Packing, shipping and delivery expense	0.82	0.71	0.73
Repairs and maintenance	1.66	1.48	1.60
Other factory expenses	0.85	0.76	1.01
Total Other Expenses	5.90	5.81	5.31
TOTAL FACTORY EXPENSES	12.74	12.79	13.82
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.29	1.37	2.52
Salaries - office	1.52	1.22	2.39
Payroll taxes	0.18	0.14	0.35
Employee benefits	0.44	0.44	0.32
Bad debts	0.50	0.40	0.99
Office supplies and expenses	0.28	0.29	0.23
Professional fees	0.40	0.30	0.44
Taxes - business	0.06	0.07	0.12
Telephone	0.30	0.22	0.53
Other administrative expenses	1.10	0.74	0.89
TOTAL ADMINISTRATIVE EXPENSES	6.07	5.19	8.78
SELLING EXPENSES			
Salaries - executive	0.61	0.68	1.26
Salaries and commissions - salesmen	1.86	1.50	2.58
Salaries - sales office clerical	0.56	0.30	0.29
Payroll taxes	0.14	0.09	0.18
Employee benefits	0.23	0.18	0.20
Advertising	0.16	0.13	0.40
Travel and entertainment	0.42	0.31	0.51
Other selling expenses	0.66	0.87	0.40
TOTAL SELLING EXPENSES	4.64	4.06	5.82

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.11%	1.08%	1.61%	0.98%	1.25%	1.26%
18.63	17.09	17.86	16.56	17.46	16.90
1.83	1.45	3.25	3.26	3.72	2.59
0.98	0.37	0.82	0.43	0.69	0.75
1.68	1.39	1.97	1.69	1.60	1.41
2.24	1.49	3.25	3.23	3.28	2.55
26.47	22.87	28.76	26.15	28.00	25.46
0.65	0.27	0.25	0.27	0.26	0.27
2.70	2.90	3.52	3.83	3.00	3.45
0.19	0.23	0.28	0.21	0.25	0.23
0.22	0.00	0.13	0.08	0.14	0.16
0.35	0.45	0.21	0.17	0.20	0.14
0.42	0.72	0.83	1.17	0.41	0.29
1.68	2.28	1.94	1.68	1.75	1.83
0.14	0.00	0.29	0.17	0.36	0.22
6.35	6.85	7.45	7.58	6.37	6.59
2.25	2.17	2.65	3.23	2.76	2.86
0.43	0.31	1.25	0.58	0.77	0.80
1.78	1.92	1.70	1.72	1.65	1.20
0.38	0.24	0.86	0.97	1.00	0.83
4.84	4.64	6.46	6.50	6.18	5.69
11.19	11.49	13.91	14.08	12.55	12.28
2.14	2.29	1.05	0.87	0.90	1.20
1.36	1.65	1.49	1.24	1.25	0.98
0.16	0.18	0.22	0.16	0.13	0.09
0.48	0.56	0.43	0.46	0.39	0.41
0.62	0.26	0.33	0.24	0.47	0.41
0.21	0.27	0.39	0.31	0.26	0.31
0.50	0.43	0.24	0.29	0.43	0.26
0.12	0.14	0.06	0.04	0.04	0.07
0.25	0.25	0.29	0.24	0.26	0.20
1.06	0.80	1.08	0.97	1.15	0.55
6.90	6.83	5.58	4.82	5.28	4.48
0.48	0.88	0.57	0.25	0.57	0.77
2.62	1.04	1.40	1.34	1.66	1.87
0.58	0.38	0.54	0.22	0.54	0.35
0.18	0.11	0.16	0.11	0.10	0.07
0.18	0.14	0.22	0.18	0.25	0.21
0.12	0.02	0.20	0.21	0.10	0.11
0.36	0.37	0.40	0.26	0.38	0.33
0.71	1.42	0.88	1.16	0.51	0.61
5.23	4.36	4.37	3.73	4.11	4.32

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	4.42%	6.99%	5.13%
Receivables	27.87	23.93	32.49
Inventories	17.09	12.98	21.53
Other current assets	4.28	5.20	3.33
TOTAL CURRENT ASSETS	53.66	49.10	62.48
FIXED ASSETS			
Real estate	12.78	9.50	10.02
Less: Accumulated depreciation	3.96	2.81	3.10
	8.82	6.69	6.92
Machinery and equipment	67.07	65.38	73.43
Less: Accumulated depreciation	34.89	29.26	45.32
	32.18	36.12	28.11
Other fixed assets	3.32	2.28	5.08
Less: Accumulated depreciation	1.80	1.16	3.01
	1.52	1.12	2.07
NET FIXED ASSETS	42.52	43.93	37.10
OTHER ASSETS	3.82	6.97	0.42
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	6.12	3.65	8.40
Accounts payable	13.48	9.79	18.55
Other current liabilities	10.45	12.25	10.71
TOTAL CURRENT LIABILITIES	30.05	25.69	37.66
LONG-TERM LIABILITIES	25.59	19.56	28.18
TOTAL LIABILITIES	55.64	45.25	65.84
SHAREHOLDERS' AND PROPRIETORS' EQUITY	44.36	54.75	34.16
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.79	1.91	1.66
QUICK RATIO	1.22	1.41	1.09
TOTAL LIABILITIES TO EQUITY	1.25	0.83	1.93
LONG-TERM LIABILITIES TO EQUITY	0.58	0.36	0.82
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.52	0.45	0.62

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
6.34%	5.75%	7.52%	13.91%	2.22%	3.38%
26.97	28.82	24.15	22.15	28.96	23.60
14.43	16.64	18.98	13.87	15.45	10.77
6.88	2.19	1.71	2.26	4.78	8.26
54.62	53.40	52.36	52.19	51.41	46.01
11.83	14.55	10.87	6.69	14.86	10.78
3.93	5.76	3.65	1.86	4.39	2.87
7.90	8.79	7.22	4.83	10.47	7.91
62.93	58.13	65.67	65.33	67.62	66.38
32.23	29.70	30.28	26.51	35.05	30.74
30.70	28.43	35.39	38.82	32.57	35.64
4.47	2.71	3.68	2.41	2.32	1.72
2.84	2.20	1.82	1.14	1.16	0.82
1.63	0.51	1.86	1.27	1.16	0.90
40.23	37.73	44.47	44.92	44.20	44.45
5.15	8.87	3.17	2.89	4.39	9.54
100.00	100.00	100.00	100.00	100.00	100.00
8.62	5.90	3.29	1.80	6.29	4.30
11.21	13.30	14.62	9.05	12.16	9.56
10.65	18.72	13.13	18.02	9.34	7.51
30.48	37.92	31.04	28.87	27.79	21.37
31.04	16.68	24.95	13.09	24.22	21.10
61.52	54.60	55.99	41.96	52.01	42.47
38.48	45.40	44.01	58.04	47.99	57.53
100.00	100.00	100.00	100.00	100.00	100.00

1.79	1.41	1.69	1.81	1.85	2.15
1.32	0.97	1.08	1.33	1.29	1.65
1.60	1.20	1.27	0.72	1.08	0.74
0.81	0.37	0.57	0.23	0.50	0.37
0.51	0.51	0.46	0.41	0.52	0.46

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 46,060	$ 55,775	$ 35,444
Average assets per factory employee (Excluding Executives)	55,796	66,447	47,194
Average net worth per employee - All employees	20,454	31,090	12,014
Average gross plant investment per factory employee (Excluding Executives)	45,394	50,650	41,107
Net worth percentage of fixed assets	128.21%	142.75%	122.67%
EMPLOYEES			
Percent factory - All employees	85.35%	87.17%	76.58%
Percent administrative - All employees	8.67	7.81	15.06
Percent sales - All employees	5.98	5.02	8.36
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 84,928	$ 96,654	$ 70,206
Sales per factory employee	100,037	112,075	91,504
Sales less material per factory employee	56,143	63,745	50,722
Sales per administrative employee	1,320,860	1,667,371	539,486
EXCLUDING EXECUTIVES			
Sales per employee - All employees	89,690	101,196	76,008
Sales per factory employee	103,661	115,447	93,602
Sales less material per factory employee	58,114	65,616	51,922
SALES PER SALESMAN	2,193,473	2,074,256	729,113
SALES TO CURRENT ASSETS	402%	377%	328%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	34.17%	31.06%	32.25%
Factory payroll percentage of gross plant investment	129.42	58.16	53.74
Payroll per employee - All employees	$ 27,881	$ 28,161	$ 22,739
Payroll per factory employee	26,299	26,157	20,587
Payroll per administrative employee	33,153	39,694	27,612
Payroll per sales employee	48,046	53,950	52,827
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 21,984	$ 21,941	$ 18,126
Payroll per factory employee	21,481	21,424	17,692
Payroll per administrative employee	16,977	17,324	14,694
Payroll per sales employee	36,949	32,778	26,295
EXECUTIVE PAYROLL			
Payroll per executive - All executives	53,129	64,553	34,071
Payroll per factory executive	36,149	42,329	12,314
Payroll per administrative executive	69,026	87,837	42,412
Payroll per sales executive	56,966	74,815	39,161
RECEIVABLES			
Collection period	56.3	51.2	63.3
PROFIT			
Gross profit percentage of sales	17.39%	21.54%	19.49%
Average gross profit per factory employee	$ 18,029	$ 24,786	$ 18,278
Income before taxes percentage of sales	5.54%	11.66%	2.55%
Average income before taxes per employee	$ 5,073	$ 11,364	$ 2,039

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 52,473	$ 48,613	$ 41,611	$ 56,742	$ 48,783	$ 58,234
64,617	61,035	49,481	66,282	58,168	68,974
18,507	22,502	19,726	31,622	23,243	34,767
49,805	44,577	40,503	49,862	47,576	53,196
109.23%	154.28%	115.75%	156.84%	132.23%	138.31%
83.96%	82.39%	87.44%	89.19%	87.07%	87.83%
9.92	11.10	7.83	7.04	7.11	6.38
6.12	6.51	4.73	3.77	5.82	5.79
$ 87,688	$ 90,289	$ 81,683	$ 96,356	$ 89,122	$ 100,969
104,726	109,003	93,542	108,689	103,508	117,260
57,930	63,439	54,449	63,060	57,474	65,018
983,682	901,719	1,187,496	1,530,259	1,662,812	2,081,347
94,796	95,470	86,272	101,094	93,078	105,107
108,959	111,976	97,501	112,516	107,016	120,500
60,080	65,205	56,685	65,028	59,374	66,864
860,326	629,591	2,422,459	1,420,552	2,615,876	2,613,194
342%	386%	487%	358%	396%	390%
34.66%	30.11%	34.85%	30.98%	33.79%	31.41%
62.83	63.68	337.75	64.29	67.91	54.30
$ 29,828	$ 26,827	$ 26,445	$ 27,014	$ 29,010	$ 29,865
27,052	24,576	25,156	25,660	27,825	27,603
38,359	42,470	30,839	34,591	33,622	43,333
52,986	40,276	35,478	28,414	52,276	65,005
$ 23,771	$ 20,548	$ 20,428	$ 20,834	$ 22,971	$ 23,635
22,709	20,947	20,017	20,261	22,641	22,794
16,736	15,574	17,211	19,091	17,257	17,200
43,411	15,915	28,377	23,957	41,260	45,971
63,935	74,329	45,924	41,733	56,724	76,175
40,906	43,964	39,656	38,308	37,075	45,962
75,664	98,211	61,323	52,982	75,897	108,643
26,778	39,412	45,017	26,009	77,234	108,501
59.6	57.9	47.1	47.7	58.8	51.1
18.18%	23.86%	17.59%	20.65%	16.40%	20.83%
$ 20,082	$ 27,245	$ 17,075	$ 22,789	$ 17,603	$ 25,280
3.96%	10.32%	6.97%	11.50%	6.21%	12.35%
$ 3,529	$ 9,409	$ 5,878	$ 10,505	$ 5,954	$ 12,891

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 2.66	$ 4.63	$ 2.26
Receivables	14.76	13.59	16.54
Inventories	8.30	7.49	10.54
Marketable securities	1.26	2.71	0.38
Other current assets	1.18	0.90	1.13
	28.16	29.32	30.85
Plant Investment:			
Land and building	7.32	5.95	5.45
Machinery and equipment	36.16	38.67	36.62
Other fixed assets	1.65	1.24	2.92
	45.13	45.86	44.99
Non-Current Assets	2.26	4.31	0.24
TOTAL INVESTMENT	75.55	79.49	76.08
INVESTMENT TURNOVER PER $100 OF SALES	132.36%	125.80%	131.44%
EARNINGS			
Cost of Product	$82.61	$78.46	$80.51
Selling Expenses	4.64	4.06	5.82
Administrative Expenses	6.07	5.19	8.78
	93.32	87.71	95.11
Income Before Interest, Other Income, and Taxes	6.68	12.29	4.89
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.84%	15.46%	6.43%

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 4.36	$ 4.08	$ 5.00	$ 9.32	$ 1.11	$ 2.11
15.80	15.40	12.29	12.55	15.38	13.57
8.30	8.56	7.14	8.15	8.24	6.34
2.09	0.53	0.43	0.92	1.57	4.69
1.91	0.67	0.56	0.54	1.25	1.20
32.46	29.24	25.42	31.48	27.55	27.91
8.05	9.66	5.47	3.75	8.49	6.88
37.59	31.69	34.78	38.68	36.55	39.79
2.45	1.17	1.82	1.35	1.05	0.95
48.09	42.52	42.07	43.78	46.09	47.62
3.33	5.55	1.64	1.84	2.62	5.85
83.88	77.31	69.13	77.10	76.26	81.38
119.22%	129.35%	144.65%	129.70%	131.13%	122.88%
$81.82	$76.14	$82.41	$79.35	$83.60	$79.17
5.23	4.36	4.37	3.73	4.11	4.32
6.90	6.83	5.58	4.82	5.28	4.48
93.95	87.33	92.36	87.90	92.99	87.97
6.05	12.67	7.64	12.10	7.01	12.03
7.21%	16.39%	11.05%	15.69%	9.19%	14.78%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%
FACTORY PAYROLL	45.63	39.30
FACTORY EXPENSES	22.25	20.00
TOTAL FACTORY COST OF PRODUCT	67.88	59.30
GROSS PROFIT	32.12	40.70
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	10.42	9.16
Selling expenses	10.44	9.09
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.86	18.25
INCOME BEFORE INTEREST EXPENSE	11.26	22.45
Interest expense	3.10	1.24
OPERATING INCOME	8.16	21.21
Other income	0.50	0.58
INCOME BEFORE INCOME TAXES	8.66	21.79

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY		BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X
X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%
48.43	42.60	44.81	44.93	51.06
22.35	22.80	22.20	20.15	22.64
70.78	65.40	67.01	65.08	73.70
29.22	34.60	32.99	34.92	26.30
10.56	9.33	10.85	5.51	11.78
6.72	5.31	4.13	5.40	8.20
17.28	14.64	14.98	10.91	19.98
11.94	19.96	18.01	24.01	6.32
4.20	4.07	3.33	5.61	1.81
7.74	15.89	14.68	18.40	4.51
2.11	2.40	1.67	1.33	4.07
9.85	18.29	16.35	19.73	8.58

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	2.29%	1.82%
Direct wages	30.13	25.64
General factory salaries and wages	4.57	4.65
Packing, shipping and delivery wages	1.49	1.32
Payroll taxes	2.65	2.29
Employee benefits	4.50	3.58
TOTAL FACTORY PAYROLL	45.63	39.30
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.43	0.27
Depreciation - other	5.62	5.40
Taxes - real estate	0.58	0.41
Taxes - other	0.25	0.16
Insurance	0.50	0.38
Building rent	1.26	1.32
Utilities - heat, light, etc.	3.46	3.45
Equipment rental	0.79	0.02
Total Fixed Expenses	12.89	11.41
Other Expenses		
Factory supplies and expense	4.04	4.56
Packing, shipping and delivery expense	1.25	1.09
Repairs and maintenance	3.12	2.52
Other factory expenses	0.95	0.42
Total Other Expenses	9.36	8.59
TOTAL FACTORY EXPENSES	22.25	20.00
ADMINISTRATIVE EXPENSES		
Salaries - executive	2.49	2.36
Salaries - office	2.68	1.72
Payroll taxes	0.33	0.22
Employee benefits	0.86	0.89
Bad debts	0.92	0.75
Office supplies and expenses	0.44	0.36
Professional fees	0.55	0.52
Taxes - business	0.07	0.09
Telephone	0.61	0.39
Other administrative expenses	1.47	1.86
TOTAL ADMINISTRATIVE EXPENSES	10.42	9.16
SELLING EXPENSES		
Salaries - executive	1.29	0.78
Salaries and commissions - salesmen	4.61	4.36
Salaries - sales office clerical	1.11	0.64
Payroll taxes	0.28	0.21
Employee benefits	0.38	0.33
Advertising	0.27	0.24
Travel and entertainment	0.97	0.56
Other selling expenses	1.53	1.97
TOTAL SELLING EXPENSES	10.44	9.09

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY		BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.20%	1.92%	0.70%	1.40%	5.19%
30.82	28.78	29.06	29.49	30.54
5.86	3.84	5.57	5.09	5.05
1.25	0.90	0.07	0.15	1.06
3.24	2.46	2.88	2.85	3.23
5.06	4.70	6.53	5.95	5.99
48.43	42.60	44.81	44.93	51.06
0.65	0.43	0.84	1.03	0.76
5.48	6.79	4.19	4.36	3.87
0.32	0.36	0.80	0.21	0.21
0.26	0.22	0.02	0.04	0.49
0.45	0.32	0.24	0.16	0.46
0.96	1.02	0.45	0.90	1.46
3.11	2.95	2.26	2.36	2.13
0.67	0.43	0.36	0.32	0.16
11.90	12.52	9.16	9.38	9.54
5.05	5.06	1.82	3.64	4.61
1.46	1.21	0.99	1.19	3.24
2.59	2.52	4.58	2.24	2.75
1.35	1.49	5.65	3.70	2.50
10.45	10.28	13.04	10.77	13.10
22.35	22.80	22.20	20.15	22.64
2.29	2.54	0.44	0.89	3.08
2.73	2.46	2.59	1.56	3.02
0.34	0.25	0.12	0.23	0.37
0.73	0.73	0.28	0.57	0.86
0.98	0.67	1.21	1.19	0.28
0.59	0.68	0.13	0.09	0.71
0.60	0.53	2.93	0.09	0.91
0.16	0.15	0.00	0.00	0.00
0.44	0.38	0.29	0.25	0.92
1.70	0.94	2.86	0.64	1.63
10.56	9.33	10.85	5.51	11.78
0.98	1.52	0.11	0.22	0.85
2.37	1.18	3.01	3.83	2.72
0.92	0.36	0.05	0.11	1.84
0.23	0.08	0.10	0.20	0.37
0.39	0.25	0.13	0.26	0.86
0.31	0.22	0.25	0.32	0.03
0.58	0.49	0.25	0.24	0.83
0.94	1.21	0.23	0.22	0.70
6.72	5.31	4.13	5.40	8.20

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIAL		
Paper	32.89	30.35
Other chargeable materials	6.52	6.84
Outside services	5.60	6.97
TOTAL MATERIAL	45.01	44.16
FACTORY PAYROLL	25.08	21.95
FACTORY EXPENSES	12.17	11.45
TOTAL FACTORY COST OF PRODUCT	82.26	77.56
GROSS PROFIT	17.74	22.44
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	5.79	5.10
Selling expenses	5.81	5.08
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	11.60	10.18
INCOME BEFORE INTEREST EXPENSE	6.14	12.26
Interest expense	1.67	0.66
OPERATING INCOME	4.47	11.60
Other income	0.26	0.31
INCOME BEFORE INCOME TAXES	4.73	11.91

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS		
Ink	4.29%	5.67%
Film	0.54	0.25
Plates	0.71	0.61
Other chargeable materials	0.98	0.31
TOTAL OTHER CHARGEABLE MATERIALS	6.52	6.84
OUTSIDE SERVICES		
Composition	0.17	0.13
Offset preparation	1.44	1.89
Printing	1.46	1.69
Binding	1.47	1.56
Other outside services	1.06	1.70
TOTAL OUTSIDE SERVICES	5.60	6.97

** Sample insufficient for Profit Leaders.
*** Information not submitted.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY		BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%
28.70	26.38	39.56	36.17	24.37
7.47	7.77	7.30	5.45	11.14
4.40	4.07	0.48	0.96	3.24
40.57	38.22	47.34	42.58	38.75
28.63	26.29	24.38	27.34	31.21
13.35	14.10	11.32	11.05	13.65
82.55	78.61	83.04	80.97	83.61
17.45	21.39	16.96	19.03	16.39
6.16	5.68	5.38	2.97	6.96
4.02	3.41	2.40	3.45	4.92
10.18	9.09	7.78	6.42	11.88
7.27	12.30	9.18	12.61	4.51
2.47	2.49	1.43	2.35	1.02
4.80	9.81	7.75	10.26	3.49
1.21	1.45	0.94	0.92	2.55
6.01	11.26	8.69	11.18	6.04

4.82%	5.36%	0.72%	0.54%	
0.88	0.80	1.65	1.23	
0.94	0.61	0.70	0.52	
0.83	1.00	4.23	3.16	
7.47	7.77	7.30	5.45	***
0.24	0.09	0.00	0.00	
1.11	0.47	0.10	0.19	
1.03	1.63	0.00	0.00	
1.02	0.52	0.38	0.77	
1.00	1.36	0.00	0.00	
4.40	4.07	0.48	0.96	***

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	1.24%	0.99%
Direct wages	16.65	14.40
General factory salaries and wages	2.48	2.60
Packing, shipping and delivery wages	0.83	0.74
Payroll taxes	1.45	1.30
Employee benefits	2.43	1.92
TOTAL FACTORY PAYROLL	25.08	21.95
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.22	0.15
Depreciation - other	3.07	3.06
Taxes - real estate	0.31	0.22
Taxes - other	0.13	0.09
Insurance	0.28	0.22
Building rent	0.71	0.78
Utilities - heat, light, etc.	1.90	1.91
Equipment rental	0.43	0.01
Total Fixed Expenses	7.05	6.44
Other Expenses		
Factory supplies and expense	2.22	2.63
Packing, shipping and delivery expense	0.68	0.65
Repairs and maintenance	1.70	1.47
Other factory expenses	0.52	0.26
Total Other Expenses	5.12	5.01
TOTAL FACTORY EXPENSES	12.17	11.45
ADMINISTRATIVE EXPENSES		
Salaries - executive	1.39	1.31
Salaries - office	1.49	0.95
Payroll taxes	0.18	0.12
Employee benefits	0.48	0.48
Bad debts	0.47	0.37
Office supplies and expenses	0.25	0.21
Professional fees	0.31	0.30
Taxes - business	0.04	0.05
Telephone	0.34	0.21
Other administrative expenses	0.84	1.10
TOTAL ADMINISTRATIVE EXPENSES	5.79	5.10
SELLING EXPENSES		
Salaries - executive	0.73	0.45
Salaries and commissions - salesmen	2.51	2.32
Salaries - sales office clerical	0.62	0.37
Payroll taxes	0.16	0.12
Employee benefits	0.21	0.19
Advertising	0.15	0.14
Travel and entertainment	0.55	0.31
Other selling expenses	0.88	1.18
TOTAL SELLING EXPENSES	5.81	5.08

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY		BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
1.27%	1.17%	0.32%	0.65%	3.12%
18.22	17.85	15.69	17.63	18.92
3.51	2.32	3.24	3.59	3.00
0.74	0.56	0.05	0.11	0.65
1.92	1.55	1.58	1.74	1.96
2.97	2.84	3.50	3.62	3.56
28.63	26.29	24.38	27.34	31.21
0.36	0.26	0.42	0.54	0.46
3.29	4.17	2.15	2.38	2.38
0.19	0.22	0.39	0.12	0.14
0.16	0.14	0.01	0.02	0.28
0.25	0.19	0.13	0.10	0.28
0.57	0.66	0.32	0.65	0.87
1.86	1.81	1.13	1.21	1.36
0.39	0.27	0.20	0.21	0.10
7.07	7.72	4.75	5.23	5.87
3.04	3.19	1.12	2.24	2.76
0.88	0.76	0.50	0.61	1.88
1.54	1.53	2.31	1.30	1.64
0.82	0.90	2.64	1.67	1.50
6.28	6.38	6.57	5.82	7.78
13.35	14.10	11.32	11.05	13.65
1.34	1.59	0.22	0.45	1.82
1.58	1.44	1.34	0.95	1.80
0.20	0.15	0.07	0.15	0.21
0.43	0.45	0.16	0.31	0.50
0.55	0.43	0.56	0.53	0.16
0.33	0.39	0.07	0.07	0.43
0.35	0.33	1.40	0.04	0.55
0.09	0.10	0.00	0.00	0.00
0.26	0.23	0.17	0.16	0.54
1.03	0.57	1.39	0.31	0.95
6.16	5.68	5.38	2.97	6.96
0.61	0.97	0.07	0.15	0.52
1.39	0.74	1.76	2.48	1.63
0.54	0.23	0.04	0.07	1.10
0.14	0.05	0.06	0.13	0.22
0.24	0.16	0.08	0.16	0.51
0.17	0.13	0.14	0.19	0.02
0.35	0.32	0.14	0.16	0.50
0.58	0.81	0.11	0.11	0.42
4.02	3.41	2.40	3.45	4.92

BALANCE SHEET

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	5.07%	4.77%
Receivables	28.21	28.19
Inventories	20.28	14.08
Other current assets	3.20	2.75
TOTAL CURRENT ASSETS	56.76	49.79
FIXED ASSETS		
Real estate	9.80	6.32
Less: Accumulated depreciation	3.14	2.06
	6.66	4.26
Machinery and equipment	66.79	68.84
Less: Accumulated depreciation	36.21	32.46
	30.58	36.38
Other fixed assets	3.84	3.18
Less: Accumulated depreciation	2.33	1.92
	1.51	1.26
NET FIXED ASSETS	38.75	41.90
OTHER ASSETS	4.49	8.31
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	7.78	3.04
Accounts payable	16.06	11.43
Other current liabilities	13.04	20.89
TOTAL CURRENT LIABILITIES	36.88	35.36
LONG-TERM LIABILITIES	22.06	8.75
TOTAL LIABILITIES	58.94	44.11
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.06	55.89
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.54	1.41
QUICK RATIO	0.99	1.01
TOTAL LIABILITIES TO EQUITY	1.44	0.79
LONG-TERM LIABILITIES TO EQUITY	0.54	0.16
ACCUMULATED DEPRECIATION-MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.54	0.47

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY		BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
4.03%	7.92%	2.23%	13.51%	2.62%
27.15	18.80	33.22	33.32	24.21
13.70	11.37	17.84	19.04	11.41
5.60	7.71	2.81	0.02	4.09
50.48	45.80	56.10	65.89	42.33
13.75	9.91	15.93	12.18	31.51
4.20	2.82	6.50	3.53	4.63
9.55	7.09	9.43	8.65	26.88
69.04	67.20	64.77	51.90	47.38
34.34	27.25	31.57	28.83	25.57
34.70	39.95	33.20	23.07	21.81
3.41	1.66	0.82	1.46	1.79
1.70	0.75	0.22	0.42	0.54
1.71	0.91	0.60	1.04	1.25
45.96	47.95	43.23	32.76	49.94
3.56	6.25	0.67	1.35	7.73
100.00	100.00	100.00	100.00	100.00
5.82	4.88	1.20	0.00	4.15
12.12	8.42	11.43	12.97	10.47
7.93	6.36	7.53	9.08	9.06
25.87	19.66	20.16	22.05	23.68
30.13	30.85	16.86	1.39	32.52
56.00	50.51	37.02	23.44	56.20
44.00	49.49	62.98	76.56	43.80
100.00	100.00	100.00	100.00	100.00
1.95	2.33	2.78	2.99	1.79
1.42	1.75	1.90	2.12	1.31
1.27	1.02	0.59	0.31	1.28
0.68	0.62	0.27	0.02	0.74
0.50	0.41	0.49	0.56	0.54

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 47,561	$ 63,083
Average assets per factory employee (Excluding Executives)	59,173	77,442
Average net worth per employee - All employees	19,695	35,258
Average gross plant investment per factory employee (Excluding Executives)	47,687	59,380
Net worth percentage of fixed assets	130.01%	152.43%
EMPLOYEES		
Percent factory - All employees	82.62%	83.66%
Percent administrative - All employees	9.12	7.90
Percent sales - All employees	8.26	8.44
SALES - VALUE OF PRODUCT PRODUCED		
INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 95,226	$ 125,340
Sales per factory employee	114,956	149,795
Sales less material per factory employee	62,496	81,762
Sales per administrative employee	1,608,794	2,367,790
EXCLUDING EXECUTIVES		
Sales per employee - All employees	100,798	130,612
Sales per factory employee	119,199	153,748
Sales less material per factory employee	64,782	83,887
SALES PER SALESMAN	1,333,017	1,191,437
SALES TO CURRENT ASSETS	427%	430%
PAYROLL - INCLUDING TAXES AND BENEFITS		
INCLUDING EXECUTIVES		
Total payroll percentage of sales	32.86%	28.26%
Factory payroll percentage of gross plant investment	222.67	58.34
Payroll per employee - All employees	$ 29,950	$ 33,905
Payroll per factory employee	27,928	31,589
Payroll per administrative employee	35,151	46,799
Payroll per sales employee	45,291	45,057
PAYROLL - EXCLUDING TAXES AND BENEFITS		
EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 23,888	$ 27,013
Payroll per factory employee	23,080	26,255
Payroll per administrative employee	16,319	17,586
Payroll per sales employee	39,561	40,000
EXECUTIVE PAYROLL		
Payroll per executive - All executives	51,528	63,185
Payroll per factory executive	37,427	43,662
Payroll per administrative executive	68,931	81,865
Payroll per sales executive	51,469	55,910
RECEIVABLES		
Collection period	53.7	52.3
PROFIT		
Gross profit percentage of sales	17.74%	22.44%
Average gross profit per factory employee	$ 21,680	$ 34,651
Income before taxes percentage of sales	4.73%	11.91%
Average income before taxes per employee	$ 5,694	$ 15,657

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY		BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 43,752	$ 52,576	$ 62,320	$ 50,864	$ 35,606
52,340	61,502	70,531	57,835	44,815
19,022	27,227	37,484	38,527	16,679
42,823	47,553	60,423	39,699	35,775
107.42%	115.50%	169.67%	247.34%	100.49%
86.76%	88.78%	89.96%	91.22%	85.28%
8.75	8.35	5.98	5.28	10.28
4.49	2.87	4.06	3.50	4.44
$ 78,005	$ 77,868	$ 93,422	$ 101,896	$ 55,327
90,641	88,452	103,849	111,732	64,576
52,831	53,606	50,710	55,592	39,913
1,062,433	1,180,988	1,563,433	1,856,144	682,181
82,391	81,837	95,927	106,906	60,338
93,851	91,173	105,978	115,991	69,860
54,585	55,223	51,616	57,404	43,083
3,258,953	3,254,832	2,126,303	1,170,523	806,069
406%	356%	275%	301%	375%
35.10%	32.07%	28.19%	32.18%	39.53%
67.62	52.57	54.19	83.22	61.06
$ 26,956	$ 24,777	$ 22,831	$ 25,197	$ 21,912
25,574	22,910	21,988	23,538	20,290
32,518	36,653	26,471	30,984	25,768
52,498	60,248	38,563	57,975	48,491
$ 21,097	$ 18,849	$ 17,968	$ 19,589	$ 16,545
20,860	18,630	17,125	18,478	15,937
17,280	17,087	19,549	17,139	13,234
35,697	23,736	35,687	52,222	37,444
59,523	69,810	24,559	49,119	37,596
37,125	41,361	22,625	45,249	28,247
75,031	96,039	31,127	62,255	71,088
65,327	90,906	22,025	44,050	74,703
54.3	46.4	86.3	65.1	58.5
17.45%	21.39%	16.96%	19.03%	16.39%
$ 15,878	$ 19,106	$ 17,627	$ 21,116	$ 11,682
6.01%	11.26%	8.69%	11.18%	6.04%
$ 4,537	$ 8,635	$ 7,717	$ 10,130	$ 4,061

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 3.03	$ 2.72
Receivables	13.99	13.90
Inventories	8.34	7.03
Marketable securities	0.93	1.04
Other current assets	0.64	0.39
	26.93	25.08
Plant Investment:		
Land and building	5.53	3.67
Machinery and equipment	33.71	34.26
Other fixed assets	1.93	1.48
	41.17	39.41
Non-Current Assets	2.41	4.70
TOTAL INVESTMENT	70.51	69.19
INVESTMENT TURNOVER PER $100 OF SALES	141.82%	144.53%
EARNINGS		
Cost of Product	$82.26	$77.56
Selling Expenses	5.81	5.08
Administrative Expenses	5.79	5.10
	93.86	87.74
Income Before Interest, Other Income, and Taxes	6.14	12.26
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.71%	17.72%

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		CATALOG AND DIRECTORY		BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 2.63	$ 5.86	$(0.28)	$ 7.38	$ 1.64
14.28	12.29	23.07	17.10	15.58
7.10	7.52	12.11	9.63	7.25
1.69	4.24	0.00	0.00	2.34
1.59	1.48	2.46	0.01	0.37
27.29	31.39	37.36	34.12	27.18
7.54	6.59	11.71	6.16	19.96
37.26	44.86	47.34	26.62	30.22
1.65	1.05	0.45	0.74	1.20
46.45	52.50	59.50	33.52	51.38
2.26	4.13	0.36	0.73	5.16
76.00	88.02	97.22	68.37	83.72
131.58%	113.61%	102.86%	146.26%	119.45%
$82.55	$78.61	$83.04	$80.97	$83.61
4.02	3.41	2.40	3.45	4.92
6.16	5.68	5.38	2.97	6.96
92.73	87.70	90.82	87.39	95.49
7.27	12.30	9.18	12.61	4.51
9.57%	13.97%	9.44%	18.44%	5.39%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	0% TO 11%		11% TO 21%**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	48.68	41.41	53.34
FACTORY EXPENSES	20.49	19.15	23.98
TOTAL FACTORY COST OF PRODUCT	69.17	60.56	77.32
GROSS PROFIT	30.83	39.44	22.68
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	11.79	8.96	8.38
Selling expenses	9.15	9.46	10.05
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.94	18.42	18.43
INCOME BEFORE INTEREST EXPENSE	9.89	21.02	4.25
Interest expense	2.94	1.98	4.54
OPERATING INCOME (LOSS)	6.95	19.04	(0.29)
Other income	[illegible].46	2.41	1.96
INCOME BEFORE INCOME TAXES	8.41	21.45	1.67

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X
X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
52.20	48.17	45.65	42.06	46.06	42.57
22.43	17.86	21.51	22.06	22.97	21.39
74.63	66.03	67.16	64.12	69.03	63.96
25.37	33.97	32.84	35.88	30.97	36.04
7.03	4.16	8.89	9.19	9.71	7.57
6.53	7.57	7.12	6.54	7.16	5.69
13.56	11.73	16.01	15.73	16.87	13.26
11.81	22.24	16.83	20.15	14.10	22.78
2.32	1.31	3.51	3.28	3.71	2.83
9.49	20.93	13.32	16.87	10.39	19.95
2.00	1.50	1.07	1.18	1.81	1.18
11.49	22.43	14.39	18.05	12.20	21.13

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	0% TO 11%		11% TO 21%**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.37%	2.16%	1.53%
Direct wages	30.94	26.97	33.75
General factory salaries and wages	5.22	4.25	6.97
Packing, shipping and delivery wages	1.31	1.18	2.27
Payroll taxes	2.81	1.92	3.11
Employee benefits	6.03	4.93	5.71
TOTAL FACTORY PAYROLL	48.68	41.41	53.34
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.75	0.41	0.21
Depreciation - other	4.68	5.18	4.58
Taxes - real estate	0.41	0.47	0.30
Taxes - other	0.32	0.27	0.18
Insurance	0.30	0.26	1.03
Building rent	1.38	0.85	0.72
Utilities - heat, light, etc.	2.47	3.03	4.91
Equipment rental	0.69	0.19	2.06
Total Fixed Expenses	11.00	10.66	13.99
Other Expenses			
Factory supplies and expense	3.64	4.33	4.69
Packing, shipping and delivery expense	0.99	0.88	1.62
Repairs and maintenance	2.94	1.42	2.70
Other factory expenses	1.92	1.86	0.98
Total Other Expenses	9.49	8.49	9.99
TOTAL FACTORY EXPENSES	20.49	19.15	23.98
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.86	1.96	1.15
Salaries - office	2.95	2.23	2.12
Payroll taxes	0.31	0.25	0.25
Employee benefits	0.67	0.97	0.62
Bad debts	1.11	0.77	1.22
Office supplies and expenses	0.47	0.57	0.89
Professional fees	1.09	0.48	0.59
Taxes - business	0.11	0.08	0.08
Telephone	0.45	0.33	0.72
Other administrative expenses	2.77	1.32	0.74
TOTAL ADMINISTRATIVE EXPENSES	11.79	8.96	8.38
SELLING EXPENSES			
Salaries - executive	1.07	0.93	0.79
Salaries and commissions - salesmen	4.19	5.07	4.63
Salaries - sales office clerical	1.07	0.63	1.08
Payroll taxes	0.25	0.21	0.23
Employee benefits	0.57	0.57	0.47
Advertising	0.43	0.49	0.56
Travel and entertainment	0.63	0.67	0.85
Other selling expenses	0.94	0.89	1.44
TOTAL SELLING EXPENSES	9.15	9.46	10.05

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.98%	1.18%	1.88%	0.78%	2.89%	2.61%
34.66	30.65	29.44	29.34	29.15	29.03
5.88	6.79	6.14	5.82	4.74	2.68
1.37	0.87	0.80	0.40	1.24	0.84
3.01	3.28	2.94	2.84	3.25	2.82
5.30	5.40	4.45	2.88	4.79	4.59
52.20	48.17	45.65	42.06	46.06	42.57
0.52	0.66	0.37	0.36	0.28	0.41
5.79	4.78	5.26	5.06	6.07	5.76
0.45	0.26	0.21	0.13	0.40	0.40
0.46	0.00	0.17	0.15	0.30	0.15
0.30	0.17	0.67	0.77	0.39	0.19
0.60	0.88	1.03	1.70	0.88	1.25
2.89	2.29	2.96	3.22	3.72	3.29
0.49	0.25	0.48	0.40	0.71	0.79
11.50	9.29	11.15	11.79	12.75	12.24
4.88	4.48	5.50	6.14	3.61	4.61
2.70	1.53	1.41	1.22	0.73	0.87
2.25	2.18	2.68	2.04	3.09	2.98
1.10	0.38	0.77	0.87	2.79	0.69
10.93	8.57	10.36	10.27	10.22	9.15
22.43	17.86	21.51	22.06	22.97	21.39
1.44	0.61	2.85	3.16	2.27	2.43
1.69	1.07	1.69	1.67	2.41	1.44
0.19	0.18	0.24	0.22	0.37	0.18
0.57	0.65	0.98	1.10	0.69	0.30
0.75	0.19	0.27	0.42	0.45	0.23
0.35	0.21	0.46	0.56	0.36	0.29
0.29	0.14	0.63	0.54	0.77	0.94
0.09	0.00	0.05	0.07	0.02	0.03
0.38	0.34	0.54	0.48	0.46	0.35
1.28	0.77	1.18	0.97	1.91	1.38
7.03	4.16	8.89	9.19	9.71	7.57
0.46	0.71	0.63	0.19	1.46	0.84
3.11	5.28	2.09	1.23	1.96	1.24
1.06	0.35	0.74	0.18	1.04	0.77
0.19	0.18	0.17	0.09	0.31	0.17
0.36	0.29	0.28	0.09	0.42	0.26
0.19	0.17	0.08	0.12	0.19	0.25
0.42	0.28	0.93	0.75	0.73	0.54
0.74	0.31	2.20	3.89	1.05	1.62
6.53	7.57	7.12	6.54	7.16	5.69

REPORT ON OPERATIONS - SALES = 100%

	0% TO 11%		11% TO 21%**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	34.46	31.92	36.25
Other chargeable materials	6.23	6.13	6.53
Outside services	4.77	6.36	5.69
TOTAL MATERIAL	45.46	44.41	48.47
FACTORY PAYROLL	26.61	23.10	27.40
FACTORY EXPENSES	11.14	10.84	12.13
TOTAL FACTORY COST OF PRODUCT	83.21	78.35	88.00
GROSS PROFIT	16.79	21.65	12.00
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	6.47	5.03	4.35
Selling expenses	5.00	5.24	5.29
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	11.47	10.27	9.64
INCOME BEFORE INTEREST EXPENSE	5.32	11.38	2.36
Interest expense	1.62	1.18	2.20
OPERATING INCOME	3.70	10.20	0.16
Other income	0.79	1.40	0.91
INCOME BEFORE INCOME TAXES	4.49	11.60	1.07

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
OTHER CHARGEABLE MATERIALS			
Ink	3.85%	4.35%	5.35%
Film	0.73	0.27	0.00
Plates	0.79	0.69	0.50
Other chargeable materials	0.86	0.82	0.68
TOTAL OTHER CHARGEABLE MATERIALS	6.23	6.13	6.53
OUTSIDE SERVICES			
Composition	0.15	0.04	0.16
Offset preparation	1.15	1.84	2.31
Printing	0.82	0.91	0.64
Binding	1.76	1.66	1.33
Other outside services	0.89	1.91	1.25
TOTAL OUTSIDE SERVICES	4.77	6.36	5.69

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
27.41	23.89	26.08	22.41	22.28	20.76
8.17	9.94	7.81	7.72	10.00	11.28
3.27	3.03	4.20	5.17	3.31	2.63
38.85	36.86	38.09	35.30	35.59	34.67
32.11	31.07	28.27	27.46	29.51	27.68
13.62	11.17	13.35	14.31	14.84	14.01
84.58	79.10	79.71	77.07	79.94	76.36
15.42	20.90	20.29	22.93	20.06	23.64
4.30	2.64	5.45	5.72	6.37	5.00
4.03	4.79	4.35	4.13	4.55	3.75
8.33	7.43	9.80	9.85	10.92	8.75
7.09	13.47	10.49	13.08	9.14	14.89
1.34	0.70	2.16	2.10	2.50	1.82
5.75	12.77	8.33	10.98	6.64	13.07
1.24	1.03	0.67	0.79	1.21	0.76
6.99	13.80	9.00	11.77	7.85	13.83

4.22%	4.06%	5.85%	6.16%	6.32%	9.13%
0.90	1.23	0.95	1.19	1.16	0.76
1.02	1.49	0.75	0.23	1.25	0.54
2.03	3.16	0.26	0.14	1.27	0.85
8.17	9.94	7.81	7.72	10.00	11.28
0.04	0.05	0.17	0.19	0.20	0.00
1.03	0.72	1.35	1.17	0.90	0.12
0.79	0.21	0.80	1.46	0.86	1.07
1.11	1.64	0.04	0.08	1.04	0.56
0.30	0.41	1.84	2.27	0.31	0.88
3.27	3.03	4.20	5.17	3.31	2.63

SUPPORTING SCHEDULES - SALES = 100%

	0% TO 11%		11% TO 21%**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	1.32%	1.27%	0.78%
Direct wages	16.83	14.94	17.43
General factory salaries and wages	2.85	2.36	3.50
Packing, shipping and delivery wages	0.72	0.63	1.21
Payroll taxes	1.53	1.08	1.60
Employee benefits	3.36	2.82	2.88
TOTAL FACTORY PAYROLL	26.61	23.10	27.40
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.42	0.24	0.11
Depreciation - other	2.55	2.90	2.33
Taxes - real estate	0.21	0.25	0.17
Taxes - other	0.18	0.16	0.09
Insurance	0.17	0.15	0.50
Building rent	0.74	0.48	0.36
Utilities - heat, light, etc.	1.34	1.66	2.47
Equipment rental	0.37	0.11	1.08
Total Fixed Expenses	5.98	5.95	7.11
Other Expenses			
Factory supplies and expense	2.03	2.50	2.33
Packing, shipping and delivery expense	0.55	0.51	0.81
Repairs and maintenance	1.55	0.77	1.37
Other factory expenses	1.03	1.11	0.51
Total Other Expenses	5.16	4.89	5.02
TOTAL FACTORY EXPENSES	11.14	10.84	12.13
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.04	1.13	0.60
Salaries - office	1.59	1.22	1.09
Payroll taxes	0.17	0.14	0.13
Employee benefits	0.38	0.54	0.32
Bad debts	0.60	0.46	0.65
Office supplies and expenses	0.26	0.33	0.45
Professional fees	0.57	0.28	0.30
Taxes - business	0.06	0.05	0.04
Telephone	0.25	0.17	0.38
Other administrative expenses	1.55	0.71	0.39
TOTAL ADMINISTRATIVE EXPENSES	6.47	5.03	4.35
SELLING EXPENSES			
Salaries - executive	0.61	0.57	0.42
Salaries and commissions - salesmen	2.23	2.71	2.40
Salaries - sales office clerical	0.60	0.36	0.57
Payroll taxes	0.14	0.12	0.12
Employee benefits	0.33	0.34	0.24
Advertising	0.23	0.28	0.31
Travel and entertainment	0.35	0.39	0.43
Other selling expenses	0.51	0.47	0.80
TOTAL SELLING EXPENSES	5.00	5.24	5.29

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.17%	0.67%	1.09%	0.49%	1.86%	1.73%
21.27	19.67	18.27	19.21	18.71	18.85
3.71	4.55	3.85	3.74	2.95	1.74
0.82	0.49	0.49	0.25	0.82	0.56
1.84	2.10	1.83	1.86	2.09	1.83
3.30	3.59	2.74	1.91	3.08	2.97
32.11	31.07	28.27	27.46	29.51	27.68
0.32	0.42	0.23	0.24	0.18	0.26
3.49	2.91	3.28	3.38	3.94	3.77
0.27	0.15	0.13	0.09	0.26	0.26
0.28	0.00	0.11	0.09	0.20	0.11
0.18	0.11	0.40	0.47	0.25	0.13
0.40	0.64	0.66	1.09	0.56	0.82
1.73	1.37	1.83	2.06	2.39	2.15
0.30	0.18	0.28	0.25	0.46	0.50
6.97	5.78	6.92	7.67	8.24	8.00
2.98	2.83	3.42	4.01	2.33	3.02
1.60	0.89	0.88	0.77	0.47	0.56
1.39	1.39	1.63	1.27	2.02	1.97
0.68	0.28	0.50	0.59	1.78	0.46
6.65	5.39	6.43	6.64	6.60	6.01
13.62	11.17	13.35	14.31	14.84	14.01
0.87	0.37	1.72	1.90	1.49	1.65
1.07	0.75	1.05	1.07	1.57	0.93
0.12	0.13	0.15	0.14	0.25	0.11
0.34	0.39	0.63	0.72	0.45	0.20
0.46	0.12	0.17	0.27	0.28	0.15
0.21	0.13	0.28	0.35	0.23	0.19
0.17	0.08	0.38	0.33	0.50	0.62
0.05	0.00	0.03	0.04	0.01	0.02
0.24	0.23	0.33	0.30	0.30	0.23
0.77	0.44	0.71	0.60	1.29	0.90
4.30	2.64	5.45	5.72	6.37	5.00
0.27	0.41	0.38	0.12	0.89	0.55
1.97	3.38	1.26	0.75	1.29	0.85
0.63	0.20	0.43	0.12	0.64	0.50
0.12	0.13	0.10	0.05	0.20	0.11
0.22	0.19	0.16	0.05	0.26	0.18
0.12	0.12	0.05	0.08	0.12	0.16
0.26	0.19	0.56	0.47	0.47	0.36
0.44	0.17	1.41	2.49	0.68	1.04
4.03	4.79	4.35	4.13	4.55	3.75

BALANCE SHEET

	0% TO 11%		11% TO 21%**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	3.23%	6.37%	3.70%
Receivables	28.67	22.83	41.91
Inventories	17.96	15.08	18.03
Other current assets	4.01	4.30	1.34
TOTAL CURRENT ASSETS	53.87	48.58	64.98
FIXED ASSETS			
Real estate	13.37	8.16	11.82
Less: Accumulated depreciation	3.46	2.91	6.14
	9.91	5.25	5.68
Machinery and equipment	65.16	67.07	60.38
Less: Accumulated depreciation	33.84	30.67	37.10
	31.32	36.40	23.28
Other fixed assets	3.12	3.38	2.44
Less: Accumulated depreciation	1.63	1.71	0.84
	1.49	1.67	1.60
NET FIXED ASSETS	42.72	43.32	30.56
OTHER ASSETS	3.41	8.10	4.46
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	5.80	4.01	23.29
Accounts payable	12.39	10.75	20.88
Other current liabilities	9.19	6.13	8.15
TOTAL CURRENT LIABILITIES	27.38	20.89	52.32
LONG-TERM LIABILITIES	23.84	12.26	14.15
TOTAL LIABILITIES	51.22	33.15	66.47
SHAREHOLDERS' AND PROPRIETORS' EQUITY	48.78	66.85	33.53
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.97	2.33	1.24
QUICK RATIO	1.31	1.60	0.90
TOTAL LIABILITIES TO EQUITY	1.05	0.50	1.98
LONG-TERM LIABILITIES TO EQUITY	0.49	0.18	0.42
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.52	0.46	0.61

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
7.59%	13.87%	5.11%	3.73%	2.26%	2.82%
26.50	26.36	30.64	30.73	24.93	18.49
12.42	9.90	14.90	15.55	14.38	8.31
3.61	7.72	3.10	4.40	2.27	2.96
50.12	57.85	53.75	54.41	43.84	32.58
16.03	11.26	9.59	7.22	15.23	11.29
4.00	3.54	3.22	3.54	5.72	2.09
12.03	7.72	6.37	3.68	9.51	9.20
66.39	53.51	66.40	61.29	81.68	83.47
32.25	26.18	36.06	34.66	39.03	30.85
34.14	27.33	30.34	26.63	42.65	52.62
2.49	0.71	1.13	1.81	3.11	1.99
1.34	0.45	0.94	1.70	1.51	0.82
1.15	0.26	0.19	0.11	1.60	1.17
47.32	35.31	36.90	30.42	53.76	62.99
2.56	6.84	9.35	15.17	2.40	4.43
100.00	100.00	100.00	100.00	100.00	100.00
2.51	2.32	5.33	7.69	3.86	5.06
7.18	5.70	11.32	15.46	12.08	8.68
7.18	9.78	13.29	13.00	11.35	8.05
16.87	17.80	29.94	36.15	27.29	21.79
34.56	26.06	29.56	25.67	25.99	22.30
51.43	43.86	59.50	61.82	53.28	44.09
48.57	56.14	40.50	38.18	46.72	55.91
100.00	100.00	100.00	100.00	100.00	100.00

2.97	3.25	1.80	1.51	1.61	1.50
2.23	2.69	1.30	1.07	1.08	1.11
1.06	0.78	1.47	1.62	1.14	0.79
0.71	0.46	0.73	0.67	0.56	0.40
0.49	0.49	0.54	0.57	0.48	0.37

SIGNIFICANT FACTS

	0% TO 11%		11% TO 21%**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 50,763	$ 163,877	$ 43,610
Average assets per factory employee (Excluding Executives)	62,845	80,888	53,907
Average net worth per employee - All employees	24,794	44,048	11,422
Average gross plant investment per factory employee (Excluding Executives)	50,212	61,650	39,609
Net worth percentage of fixed assets	152.92%	167.58%	130.36%
EMPLOYEES			
Percent factory - All employees	83.79%	82.15%	84.73%
Percent administrative - All employees	8.81	9.01	6.90
Percent sales - All employees	7.40	8.84	8.37
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 88,177	$ 116,665	$ 107,207
Sales per factory employee	106,260	144,466	127,491
Sales less material per factory employee	56,942	77,288	65,032
Sales per administrative employee	1,328,912	1,339,934	1,573,184
EXCLUDING EXECUTIVES			
Sales per employee - All employees	92,566	121,948	111,489
Sales per factory employee	110,024	148,839	131,691
Sales less material per factory employee	59,005	79,741	67,069
SALES PER SALESMAN	1,571,018	1,382,243	4,869,810
SALES TO CURRENT ASSETS	360%	380%	384%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	33.71%	30.22%	33.31%
Factory payroll percentage of gross plant investment	64.03	51.76	92.49
Payroll per employee - All employees	$ 28,572	$ 33,464	$ 35,455
Payroll per factory employee	26,994	31,408	34,625
Payroll per administrative employee	31,452	37,664	32,105
Payroll per sales employee	48,904	65,925	49,930
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 22,608	$ 26,941	$ 28,795
Payroll per factory employee	21,870	25,996	28,471
Payroll per administrative employee	17,830	18,204	18,865
Payroll per sales employee	39,546	48,479	41,457
EXECUTIVE PAYROLL			
Payroll per executive - All executives	48,239	54,453	70,650
Payroll per factory executive	27,271	41,109	61,436
Payroll per administrative executive	63,413	84,553	78,210
Payroll per sales executive	58,765	76,431	87,160
RECEIVABLES			
Collection period	60.8	47.8	69.7
PROFIT			
Gross profit percentage of sales	16.79%	21.65%	12.00%
Average gross profit per factory employee	$ 19,574	$ 33,083	$ 15,245
Income before taxes percentage of sales	4.49%	11.60%	1.07%
Average income before taxes per employee	$ 4,973	$ 15,012	$ 468

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 44,585	$ 46,535	$ 38,039	$ 36,536	$ 38,105	$ 51,833
51,272	51,906	43,949	40,550	45,299	60,008
19,942	22,034	15,192	13,535	17,472	28,230
43,236	35,375	33,902	28,501	43,742	57,898
123.43%	191.66%	117.26%	134.59%	91.78%	88.23%
89.08%	91.24%	89.71%	91.29%	87.71%	90.09%
5.52	3.13	6.20	6.39	7.04	5.18
5.40	5.63	4.09	2.32	5.25	4.73
$ 79,658	$ 85,005	$ 80,817	$ 79,387	$ 67,058	$ 81,710
89,009	93,181	91,195	88,740	76,682	90,755
53,281	55,246	55,463	55,557	49,071	59,100
2,509,708	4,506,706	1,383,168	1,249,130	1,083,707	1,650,680
83,013	86,965	85,660	82,369	72,219	86,893
91,743	94,814	94,551	90,249	80,144	94,548
54,875	56,133	57,423	56,453	51,295	61,615
2,860,011	1,366,009	3,375,550	3,243,335	2,993,856	4,729,619
377%	337%	395%	393%	480%	486%
37.71%	37.01%	34.14%	32.38%	36.53%	32.75%
71.32	90.21	77.13	79.36	64.33	45.20
$ 28,661	$ 28,030	$ 27,220	$ 24,835	$ 23,703	$ 26,577
27,466	25,662	24,879	22,532	21,686	24,953
36,763	51,497	44,923	47,542	35,236	44,117
45,039	61,764	42,222	31,918	47,758	36,399
$ 23,436	$ 22,292	$ 21,109	$ 19,420	$ 17,968	$ 20,142
22,857	20,694	20,558	19,308	17,242	19,734
16,034	14,706	17,952	16,863	17,995	20,597
38,882	54,439	35,843	26,745	40,738	26,006
49,932	70,428	64,056	79,931	45,396	51,329
41,499	56,883	41,139	47,335	29,598	38,113
69,621	102,259	82,308	96,096	68,038	80,856
62,142	109,286	53,704	35,387	49,218	63,267
56.3	53.6	55.5	56.1	50.1	44.9
15.42%	20.90%	20.29%	22.93%	20.06%	23.64%
$ 14,262	$ 19,915	$ 19,637	$ 21,693	$ 16,610	$ 22,251
6.99%	13.80%	9.00%	11.77%	7.85%	13.83%
$ 5,970	$ 11,773	$ 7,077	$ 9,043	$ 5,770	$ 11,000

RETURN ON INVESTMENT - PER $100 OF SALES

	0% TO 11%		11% TO 21%**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 1.42	$ 3.70	$ 1.35
Receivables	16.14	12.64	16.84
Inventories	10.17	8.69	7.35
Marketable securities	0.65	0.02	0.00
Other current assets	1.65	2.32	0.58
	30.03	27.37	26.12
Plant Investment:			
Land and building	8.18	4.99	4.37
Machinery and equipment	37.59	38.52	24.74
Other fixed assets	1.49	1.77	0.97
	47.26	45.28	30.08
Non-Current Assets	2.15	4.66	1.67
TOTAL INVESTMENT	79.44	77.31	57.87
INVESTMENT TURNOVER PER $100 OF SALES	125.88%	129.35%	172.80%
EARNINGS			
Cost of Product	$83.21	$78.35	$88.00
Selling Expenses	5.00	5.24	5.29
Administrative Expenses	6.47	5.03	4.35
	94.68	88.62	97.64
Income Before Interest, Other Income, and Taxes	5.32	11.38	2.36
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.70%	14.72%	4.08%

** Sample insufficient for Profit Leaders.

21% TO 41%		41% TO 61%		OVER 61%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 4.07	$ 7.58	$ 2.46	$ 2.15	$ 1.44	$ 1.80
14.70	14.41	14.85	14.90	12.91	11.71
6.97	5.41	6.97	6.82	6.29	5.26
1.37	4.12	1.36	2.11	0.47	0.65
0.61	0.11	0.36	0.49	0.77	1.25
27.72	31.63	26.00	26.47	21.88	20.67
8.99	6.16	5.06	3.89	8.37	7.05
36.88	29.28	32.58	30.90	43.13	53.03
1.34	0.39	0.37	0.56	1.56	1.26
47.21	35.83	38.01	35.35	53.06	61.34
1.42	3.75	5.07	8.57	1.53	2.80
76.35	71.21	69.08	70.39	76.47	84.81
130.98%	140.43%	144.76%	142.07%	130.77%	117.91%
$84.58	$79.10	$79.71	$77.07	$79.94	$76.36
4.03	4.79	4.35	4.13	4.55	3.75
4.30	2.64	5.45	5.72	6.37	5.00
92.91	86.53	89.51	86.92	90.86	85.11
7.09	13.47	10.49	13.08	9.14	14.89
9.29%	18.92%	15.19%	18.58%	11.95%	17.56%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	68	$14,585,000	$26,383,000	$1,706,000
TOTAL - PROFIT LEADERS*	22	15,087,000	25,684,000	3,375,000
BY SIZE OF FIRM				
ALL FIRMS				
$1,500,000-$5,000,000	6	1,770,000	3,555,000	81,000
$5,000,000-$10,000,000	11	4,623,000	7,481,000	320,000
$10,000,000-$20,000,000	16	7,851,000	15,381,000	1,091,000
Over $20,000,000	34	23,658,000	42,450,000	2,782,000
PROFIT LEADERS				
$5,000,000-$10,000,000	3	4,596,000	8,151,000	857,000
$10,000,000-$20,000,000	7	9,283,000	15,251,000	1,826,000
Over $20,000,000	11	22,855,000	39,184,000	5,331,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	27	13,006,000	24,636,000	1,530,000
Magazine and Periodical	33	14,649,000	27,356,000	1,843,000
Catalog and Directory	4	21,907,000	28,164,000	2,183,000
Book	2	17,097,000	26,519,000	2,041,000
PROFIT LEADERS				
Commercial and Advertising	8	15,287,000	29,706,000	4,336,000
Magazine and Periodical	11	15,719,000	24,183,000	2,843,000
Catalog and Directory	2	7,858,000	14,993,000	1,788,000
BY PERCENTAGE OF PAPER SUPPLIED				
ALL FIRMS				
0% To 11%	21	20,237,000	35,000,000	2,138,000
11% To 21%	4	10,159,000	25,269,000	288,000
21% To 41%	6	12,271,000	21,863,000	1,540,000
41% To 61%	6	24,720,000	49,145,000	3,557,000
Over 61%	9	14,556,000	24,309,000	2,079,000
PROFIT LEADERS				
0% To 11%	5	26,715,000	48,475,000	6,848,000
21% To 41%	2	10,966,000	20,042,000	2,767,000
41% To 61%	3	11,186,000	19,413,000	2,213,000
Over 61%	3	18,595,000	29,557,000	4,251,000

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 49.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	

62.2% divided by 3 = 20.7%

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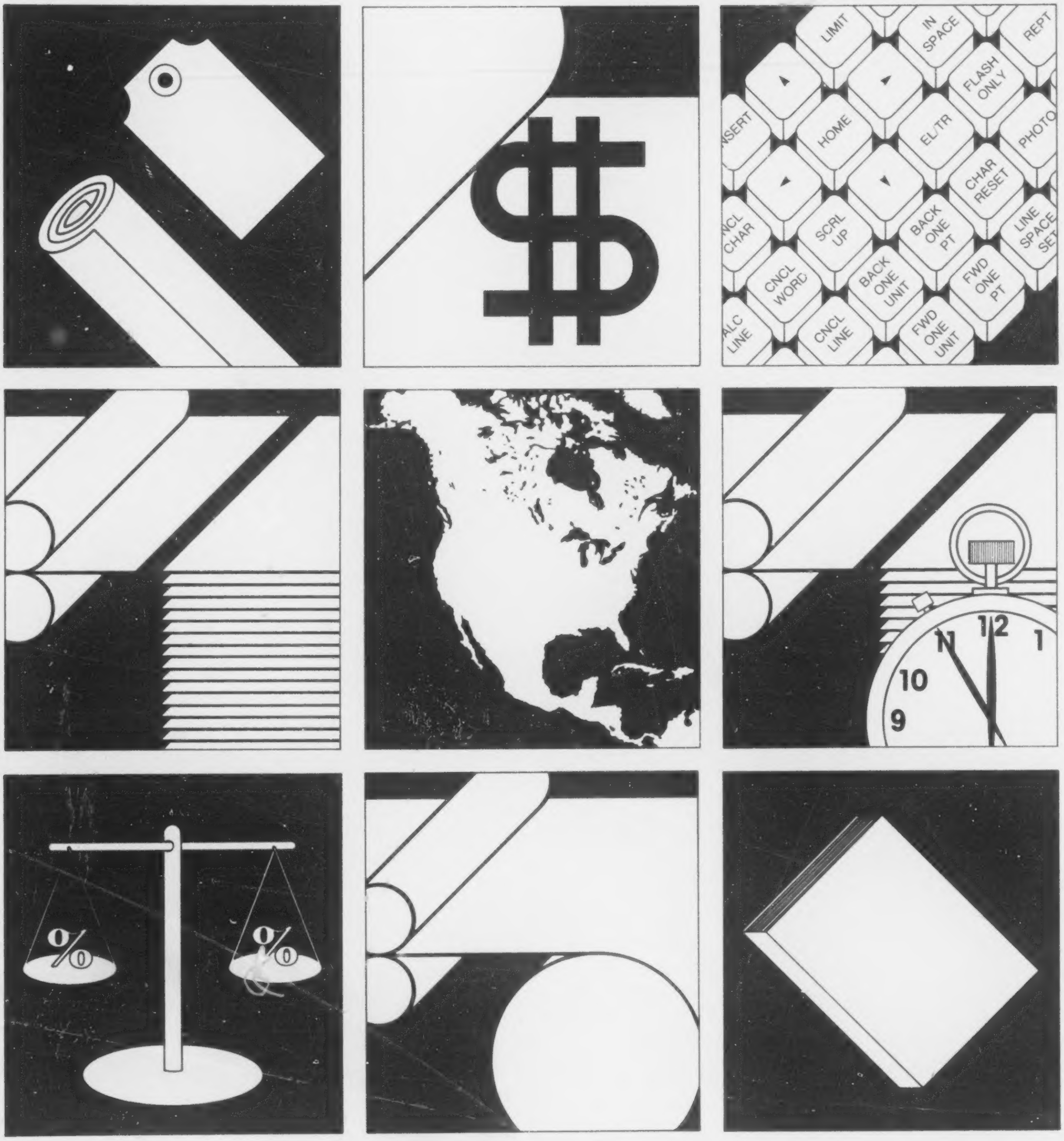
1983 Financial Ratios

Printing Industries of America, Inc.


LIMIT
IN SPACE
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FWD ONE PT
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12
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Volume VII

Web Offset Printers—Non-Heatset

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management
  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

NON-HEATSET WEB OFFSET

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PRINTING INDUSTRIES OF AMERICA, INC.

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Arlington, Virginia 22209

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Printed in U.S.A.

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CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1983 PIA FINANCIAL RATIOS FOR LARGE PRINTERS. This Ratio Study was developed on the basis of questionnaires volunteered by 127 firms and presents the ratios and statistics of Large Printers (annual sales volume of $10,000,000 or more) by sales volume and product.

Thus the user of the report can direct himself to the standards for his sales volume - for example, sales from $10 to $20 million, $20 to $40 million, etc.; and product specialty - for example, Commercial and Advertising, Magazine and Periodical, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H. R. Margolis Company

H. R. MARGOLIS COMPANY

1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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Here are the Ratio Study results for non-heatset printers. Analyzing your own statements against the ratios, recognizing of course, that you need to factor these figures for your own operation, should be helpful to your business in the coming year.

A little over five years ago PIA formed a special section for non-heatset web printers. This section has, in addition to a membership committee, committees that deal with the sales and marketing, production management, and financial management aspects of non-heatset printing.

Printing Impressions observed that the unit has made a quick transition into a mature, productive, invaluable education center for the industry it serves.

We are now planning our sixth meeting for October 5 - 7, 1983, at the Copley Plaza Hotel, Boston, Massachusetts. We look forward to seeing you there.

Ed Hill

Edward W. Hill, Jr.
Executive Director
Non-Heatset Web Section
(703) 841-8140

VALUE ADDED -- WHAT IT MEANS TO YOU

VALUE ADDED DEFINED

Value added is simply your sales less material costs, which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$ 23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services -- composition, offset preparation, printing, bindery, etc.

KNOWN BY OTHER TERMS

Value added is also known by such other terms as inside sales, conversion value, inside manufacturing value and real contribution to overhead and profit. Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

CONCEPTUAL UNDERSTANDING OF VALUE ADDED

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry.

Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the value added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

STATEMENT OF OPERATIONS -- VALUE ADDED: THE BETTER STATEMENT

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	42.91	36.67	51.42	42.87
FACTORY EXPENSES	21.27	18.15	21.20	21.64
TOTAL FACTORY COST OF PRODUCT	64.18	54.82	72.62	64.51
GROSS PROFIT	35.82	45.18	27.38	35.49
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.73	14.11	17.34	11.90
Selling expenses	9.49	8.47	5.10	2.28
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	24.22	22.58	22.44	14.18
INCOME BEFORE INTEREST EXPENSE	11.60	22.60	4.94	21.31
Interest expense	3.76	1.96	3.00	4.13
OPERATING INCOME	7.84	20.64	1.94	17.18
Other income (expense)	1.45	0.38	0.96	(0.04)
INCOME BEFORE INCOME TAXES	9.29	21.02	2.90	17.14

* See Page 10 for the definition of "Profit Leaders."
** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION**	SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	ALL FIRMS
X	X	X	X	X
X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%
37.99	34.95	47.93	42.82	42.42
22.59	18.30	18.61	22.33	21.65
60.58	53.25	66.54	65.15	64.07
39.42	46.75	33.46	34.85	35.93
16.39	15.72	13.20	13.27	12.38
10.49	8.36	9.47	11.61	8.34
26.88	24.08	22.67	24.88	20.72
12.54	22.67	10.79	9.97	15.21
3.79	1.65	3.86	4.00	3.85
8.75	21.02	6.93	5.97	11.36
2.14	1.84	1.19	(0.14)	1.33
10.89	22.86	8.12	5.83	12.69

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.34%	1.97%	1.66%	0.28%
Direct wages	28.30	26.59	40.79	37.03
General factory salaries and wages	3.48	2.19	2.67	1.90
Packing, shipping and delivery wages	1.77	1.16	1.06	0.00
Payroll taxes	2.49	1.83	2.74	1.04
Employee benefits	3.53	2.93	2.50	2.62
TOTAL FACTORY PAYROLL	42.91	36.67	51.42	42.87
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.40	0.14	0.00	0.00
Depreciation - other	5.10	4.44	5.89	6.39
Taxes - real estate	0.37	0.33	0.31	0.21
Taxes - other	0.29	0.21	0.07	0.00
Insurance	0.57	0.54	1.02	0.94
Building rent	2.29	2.16	5.54	5.41
Utilities - heat, light, etc.	1.81	1.48	0.76	0.55
Equipment rental	0.51	0.38	0.21	0.00
Total Fixed Expenses	11.34	9.68	13.80	13.50
Other Expenses				
Factory supplies and expense	3.43	3.49	3.14	1.75
Packing, shipping and delivery expense	3.23	2.07	1.49	3.00
Repairs and maintenance	2.35	2.00	2.53	3.39
Other factory expenses	0.92	0.91	0.24	0.00
Total Other Expenses	9.93	8.47	7.40	8.14
TOTAL FACTORY EXPENSES	21.27	18.15	21.20	21.64
ADMINISTRATIVE EXPENSES				
Salaries - executive	4.60	5.48	3.99	4.44
Salaries - office	3.41	3.03	5.69	3.78
Payroll taxes	0.41	0.29	0.61	0.22
Employee benefits	0.64	0.42	0.79	0.38
Bad debts	0.82	0.52	0.40	0.41
Office supplies and expenses	0.61	0.58	0.81	0.44
Professional fees	0.97	0.90	0.36	0.36
Taxes - business	0.28	0.41	0.80	1.45
Telephone	0.74	0.73	0.92	0.41
Other administrative expenses	2.25	1.75	2.97	0.01
TOTAL ADMINISTRATIVE EXPENSES	14.73	14.11	17.34	11.90
SELLING EXPENSES				
Salaries - executive	1.30	1.15	0.41	0.00
Salaries and commissions - salesmen	3.87	4.39	1.01	0.00
Salaries - sales office clerical	0.99	0.56	1.39	1.27
Payroll taxes	0.28	0.21	0.24	0.09
Employee benefits	0.48	0.45	0.22	0.11
Advertising	0.40	0.45	0.47	0.64
Travel and entertainment	1.01	0.64	0.45	0.17
Other selling expenses	1.16	0.62	0.91	0.00
TOTAL SELLING EXPENSES	9.49	8.47	5.10	2.28

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION**	SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	ALL FIRMS
2.88%	2.41%	4.67%	4.56%	2.65%
25.48	24.23	30.02	26.72	26.45
2.69	1.64	3.69	3.59	5.46
1.43	1.23	1.93	2.21	2.51
2.59	2.55	2.59	1.75	2.37
2.92	2.89	5.03	3.99	2.98
37.99	34.95	47.93	42.82	42.42
0.30	0.15	0.72	0.19	0.48
6.12	4.54	3.67	5.66	4.13
0.32	0.31	0.46	0.48	0.33
0.22	0.29	0.50	0.17	0.32
0.49	0.56	0.67	0.47	0.41
2.52	1.57	1.84	2.17	0.67
1.86	1.95	1.86	2.02	2.04
0.63	0.70	0.58	0.50	0.29
12.46	10.07	10.30	11.66	8.67
2.74	3.89	3.59	3.42	5.06
4.16	1.39	2.14	2.67	3.94
2.21	1.86	1.90	3.09	2.88
1.02	1.09	0.68	1.49	1.10
10.13	8.23	8.31	10.67	12.98
22.59	18.30	18.61	22.33	21.65
5.85	6.48	4.70	2.34	2.98
3.08	2.86	3.13	3.56	3.33
0.48	0.39	0.32	0.21	0.40
0.51	0.38	0.64	0.63	0.89
1.04	0.22	0.92	0.27	0.65
0.68	0.60	0.38	0.87	0.50
1.09	1.39	0.78	1.12	1.20
0.29	0.19	0.13	0.15	0.26
0.87	0.61	0.61	0.89	0.45
2.50	2.60	1.59	3.23	1.72
16.39	15.72	13.20	13.27	12.38
1.26	0.92	1.46	2.36	1.07
4.60	4.71	4.07	4.97	2.75
0.99	0.56	0.60	1.83	0.90
0.31	0.28	0.33	0.13	0.26
0.51	0.49	0.53	0.51	0.43
0.35	0.27	0.32	0.31	0.68
0.86	0.43	1.43	1.03	1.01
1.61	0.70	0.73	0.47	1.24
10.49	8.36	9.47	11.61	8.34

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	35.78	33.62	25.48	24.54
Other chargeable materials	5.48	3.89	3.50	5.78
Outside services	4.44	3.09	7.91	1.39
TOTAL MATERIAL	45.70	40.60	36.89	31.71
FACTORY PAYROLL	23.00	21.69	31.90	28.96
FACTORY EXPENSES	11.55	10.90	13.52	14.98
TOTAL FACTORY COST OF PRODUCT	80.25	73.19	82.31	75.65
GROSS PROFIT	19.75	26.81	17.69	24.35
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	8.19	8.48	10.96	8.54
Selling expenses	5.40	5.25	3.16	1.67
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	13.59	13.73	14.12	10.21
INCOME BEFORE INTEREST EXPENSE	6.16	13.08	3.57	14.14
Interest expense	1.99	1.18	1.87	2.65
OPERATING INCOME	4.17	11.90	1.70	11.49
Other income (expense)	0.80	0.27	0.58	(0.03)
INCOME BEFORE INCOME TAXES	4.97	12.17	2.28	11.46

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	2.03%	1.31%	0.65%	0.98%
Film	0.80	1.13	1.08	1.99
Plates	0.96	0.87	0.84	1.07
Other chargeable materials	1.69	0.58	0.93	1.74
TOTAL OTHER CHARGEABLE MATERIALS	5.48	3.89	3.50	5.78
OUTSIDE SERVICES				
Composition	0.85	0.96	0.06	0.02
Offset preparation	0.24	0.10	0.00	0.00
Printing	1.77	0.96	6.29	1.30
Binding	0.92	0.86	0.45	0.07
Other outside services	0.66	0.21	1.11	0.00
TOTAL OUTSIDE SERVICES	4.44	3.09	7.91	1.39

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION**	SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%
34.10	36.11	36.78	36.79	43.51
5.63	3.39	5.74	4.49	6.33
2.87	2.30	5.26	5.02	4.77
42.60	41.80	47.78	46.30	54.61
21.69	20.23	24.94	21.91	18.85
12.93	10.66	9.59	11.75	10.04
77.22	72.69	82.31	79.96	83.50
22.78	27.31	17.69	20.04	16.50
9.24	9.12	6.97	7.89	6.15
6.56	5.32	5.04	6.55	3.70
15.80	14.44	12.01	14.44	9.85
6.98	12.87	5.68	5.60	6.65
2.17	0.99	2.02	1.75	1.69
4.81	11.88	3.66	3.85	4.96
1.26	1.20	0.62	(0.09)	0.54
6.07	13.08	4.28	3.76	5.50

1.54%	1.02%	1.89%	2.37%	3.77%
1.12	1.46	0.75	0.32	0.31
0.87	0.82	0.98	1.16	0.97
2.10	0.09	2.12	0.64	1.28
5.63	3.39	5.74	4.49	6.33
1.01	1.46	0.15	0.00	0.02
0.27	0.01	0.04	0.00	0.34
0.68	0.51	3.17	0.00	1.30
0.69	0.00	0.82	0.00	3.11
0.22	0.32	1.08	5.02	0.00
2.87	2.30	5.26	5.02	4.77

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.76%	1.23%	1.02%	0.18%
Direct wages	15.18	15.59	25.26	24.84
General factory salaries and wages	1.88	1.37	1.67	1.39
Packing, shipping and delivery wages	0.94	0.74	0.65	0.00
Payroll taxes	1.33	1.07	1.69	0.76
Employee benefits	1.91	1.69	1.61	1.79
TOTAL FACTORY PAYROLL	23.00	21.69	31.90	28.96
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.22	0.08	0.00	0.00
Depreciation - other	2.73	2.59	3.65	4.13
Taxes - real estate	0.20	0.18	0.19	0.13
Taxes - other	0.15	0.13	0.04	0.00
Insurance	0.31	0.33	0.64	0.64
Building rent	1.30	1.43	3.60	3.92
Utilities - heat, light, etc.	0.96	0.85	0.48	0.38
Equipment rental	0.27	0.21	0.12	0.00
Total Fixed Expenses	6.14	5.80	8.72	9.20
Other Expenses				
Factory supplies and expense	1.81	2.00	1.95	1.22
Packing, shipping and delivery expense	1.85	1.30	1.05	2.19
Repairs and maintenance	1.26	1.23	1.65	2.37
Other factory expenses	0.49	0.57	0.15	0.00
Total Other Expenses	5.41	5.10	4.80	5.78
TOTAL FACTORY EXPENSES	11.55	10.90	13.52	14.98
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.51	3.20	2.61	3.21
Salaries - office	1.94	1.91	3.56	2.68
Payroll taxes	0.23	0.17	0.38	0.16
Employee benefits	0.36	0.26	0.50	0.27
Bad debts	0.43	0.32	0.26	0.29
Office supplies and expenses	0.34	0.36	0.51	0.32
Professional fees	0.53	0.52	0.23	0.24
Taxes - business	0.17	0.28	0.56	1.06
Telephone	0.41	0.44	0.57	0.30
Other administrative expenses	1.27	1.02	1.78	0.01
TOTAL ADMINISTRATIVE EXPENSES	8.19	8.48	10.96	8.54
SELLING EXPENSES				
Salaries - executive	0.74	0.72	0.25	0.00
Salaries and commissions - salesmen	2.22	2.69	0.61	0.00
Salaries - sales office clerical	0.55	0.38	0.89	0.92
Payroll taxes	0.16	0.12	0.15	0.07
Employee benefits	0.27	0.28	0.14	0.08
Advertising	0.24	0.29	0.32	0.47
Travel and entertainment	0.56	0.38	0.28	0.13
Other selling expenses	0.66	0.39	0.52	0.00
TOTAL SELLING EXPENSES	5.40	5.25	3.16	1.67

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION**	SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	ALL FIRMS
1.73%	1.54%	2.28%	2.47%	1.01%
14.38	13.75	15.74	13.22	11.78
1.61	1.07	1.95	1.95	2.53
0.84	0.82	1.01	1.17	1.08
1.47	1.45	1.31	0.88	1.05
1.66	1.60	2.65	2.22	1.40
21.69	20.23	24.94	21.91	18.85
0.17	0.09	0.41	0.10	0.24
3.41	2.59	1.88	2.84	1.84
0.18	0.17	0.25	0.23	0.14
0.13	0.18	0.25	0.12	0.14
0.27	0.31	0.35	0.28	0.18
1.45	0.96	0.98	1.10	0.27
1.05	1.11	0.96	1.10	0.93
0.34	0.39	0.27	0.33	0.14
7.00	5.80	5.35	6.10	3.88
1.58	2.19	1.85	1.73	2.32
2.46	0.86	1.08	1.48	2.15
1.27	1.10	0.97	1.67	1.24
0.62	0.71	0.34	0.77	0.45
5.93	4.86	4.24	5.65	6.16
12.93	10.66	9.59	11.75	10.04
3.23	3.61	2.49	1.42	1.29
1.78	1.76	1.65	1.99	1.88
0.27	0.22	0.17	0.12	0.21
0.30	0.23	0.34	0.40	0.45
0.51	0.14	0.51	0,23	0.32
0.40	0.36	0.20	0.47	0.22
0.62	0.80	0.40	0.60	0.67
0.18	0.12	0.07	0.08	0.12
0.50	0.35	0.32	0.49	0.21
1.45	1.53	0.82	2.09	0.78
9.24	9.12	6.97	7.89	6.15
0.80	0.62	0.78	1.40	0.42
2.87	2.99	2.19	2.97	1.17
0.61	0.36	0.33	0.80	0.43
0.19	0.17	0.17	0.07	0.11
0.32	0.30	0.28	0.28	0.19
0.22	0.17	0.17	0.15	0.42
0.53	0.25	0.75	0.59	0.46
1.02	0.46	0.37	0.29	0.50
6.56	5.32	5.04	6.55	3.70

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	5.98%	9.59%	5.22%	0.58%
Receivables	28.41	32.31	29.23	28.05
Inventories	15.79	18.71	18.97	22.82
Other current assets	2.19	2.10	1.23	1.32
TOTAL CURRENT ASSETS	52.37	62.71	54.65	52.77
FIXED ASSETS				
Real estate	11.97	7.81	7.49	6.23
Less: Accumulated depreciation	2.49	2.44	0.23	0.00
	9.48	5.37	7.26	6.23
Machinery and equipment	58.44	57.23	73.31	49.49
Less: Accumulated depreciation	28.70	33.19	44.20	25.70
	29.74	24.04	29.11	23.79
Other fixed assets	5.96	6.81	9.31	6.00
Less: Accumulated depreciation	3.02	4.56	6.55	4.30
	2.94	2.25	2.76	1.70
NET FIXED ASSETS	42.16	31.66	39.13	31.72
OTHER ASSETS	5.47	5.63	6.22	15.51
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	7.51	2.89	21.14	0.00
Accounts payable	13.58	14.53	12.68	11.05
Other current liabilities	9.13	7.73	7.74	8.56
TOTAL CURRENT LIABILITIES	30.22	25.15	41.56	19.61
LONG-TERM LIABILITIES	30.10	20.21	37.95	40.09
TOTAL LIABILITIES	60.32	45.36	79.51	59.70
SHAREHOLDERS' AND PROPRIETORS' EQUITY	39.68	54.64	20.49	40.30
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.73	2.49	1.31	2.69
QUICK RATIO	1.21	1.75	0.86	1.53
TOTAL LIABILITIES TO EQUITY	1.52	0.83	3.88	1.48
LONG-TERM LIABILITIES TO EQUITY	0.76	0.37	1.85	0.99
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.49	0.58	0.60	0.52

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION**	SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	ALL FIRMS
7.80%	15.37%	5.93%	4.31%	2.98%
27.49	31.12	27.39	31.72	29.89
15.85	16.05	16.51	16.32	12.50
3.12	3.11	1.91	2.12	0.92
54.26	65.65	51.74	54.47	46.29
10.22	5.74	16.39	4.35	16.07
2.05	3.23	3.75	2.67	2.76
8.17	2.51	12.64	1.68	13.31
64.89	62.62	51.52	53.81	47.76
33.16	38.58	25.35	23.33	17.37
31.73	24.04	26.17	30.48	30.39
6.40	8.18	5.37	5.17	4.36
3.13	5.38	2.39	4.12	1.16
3.27	2.80	2.98	1.05	3.20
43.17	29.35	41.79	33.21	46.90
2.57	5.00	6.47	12.32	6.81
100.00	100.00	100.00	100.00	100.00
7.00	5.30	5.70	1.50	7.31
14.74	15.84	12.19	15.42	12.48
8.84	8.71	8.16	20.53	5.77
30.58	29.85	26.05	37.45	25.56
31.01	19.75	26.14	20.72	34.85
61.59	49.60	52.19	58.17	60.41
38.41	50.40	47.81	41.83	39.59
100.00	100.00	100.00	100.00	100.00
1.77	2.20	1.99	1.45	1.81
1.26	1.66	1.35	1.02	1.32
1.60	0.98	1.09	1.39	1.53
0.81	0.39	0.55	0.50	0.88
0.51	0.62	0.49	0.43	0.36

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 41,512	$ 34,166	$ 26,607	$ 38,884
Average assets per factory employee (Excluding Executives)	57,167	47,275	33,673	43,569
Average net worth per employee - All employees	15,618	18,239	5,334	10,584
Average gross plant investment per factory employee (Excluding Executives)	42,392	36,406	31,496	33,864
Net worth percentage of fixed assets	137.19%	269.98%	154.95%	350.24%
EMPLOYEES				
Percent factory - All employees	78.51%	77.49%	78.77%	86.49%
Percent administrative - All employees	12.10	11.89	15.72	11.51
Percent sales - All employees	9.39	10.62	5.51	2.00
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 80,371	$ 84,635	$ 54,216	$ 64,611
Sales per factory employee	104,683	113,103	69,716	74,087
Sales less material per factory employee	55,600	66,013	44,059	50,186
Sales per administrative employee	822,897	828,910	438,989	709,325
EXCLUDING EXECUTIVES				
Sales per employee - All employees	88,252	92,580	57,459	67,555
Sales per factory employee	111,041	118,414	71,784	74,571
Sales less material per factory employee	58,929	69,345	45,322	50,493
SALES PER SALESMAN	989,410	508,187	301,000	0
SALES TO CURRENT ASSETS	443%	439%	476%	413%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	31.98%	31.44%	41.00%	36.36%
Factory payroll percentage of gross plant investment	72.65	101.71	117.11	158.64
Payroll per employee - All employees	$ 24,226	$ 24,889	$ 21,629	$ 23,073
Payroll per factory employee	22,099	21,974	21,304	21,648
Payroll per administrative employee	32,772	36,060	22,448	26,719
Payroll per sales employee	30,168	29,512	9,384	14,153
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 18,604	$ 19,190	$ 18,364	$ 20,210
Payroll per factory employee	18,047	18,415	18,747	19,827
Payroll per administrative employee	16,158	17,338	15,804	19,651
Payroll per sales employee	24,557	24,425	7,731	12,150
EXECUTIVE PAYROLL				
Payroll per executive - All executives	48,240	54,328	31,731	34,000
Payroll per factory executive	33,775	27,560	17,145	12,500
Payroll per administrative executive	61,129	69,148	32,139	32,333
Payroll per sales executive	35,502	25,431	6,876	0
RECEIVABLES				
Collection period	51.0	49.9	47.7	58.6
PROFIT				
Gross profit percentage of sales	19.75%	26.81%	17.69%	24.35%
Average gross profit per factory employee	$ 23,083	$ 33,856	$ 13,698	$ 17,862
Income before taxes percentage of sales	4.97%	12.17%	2.28%	11.46%
Average income before taxes per employee	$ 4,479	$ 11,062	$ 2,044	$ 7,716

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION**	SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	ALL FIRMS
$ 34,227	$ 32,550	$ 38,763	$ 47,644	$ 68,471
49,646	47,714	51,918	66,747	91,447
13,298	18,047	16,535	18,456	23,996
40,543	38,489	36,899	38,408	63,726
140.34%	261.91%	153.64%	135.54%	94.98%
75.38%	75.99%	83.05%	76.63%	79.99%
13.13	12.61	9.53	11.13	12.12
11.49	11.40	7.42	12.24	7.89
$ 73,991	$ 89,759	$ 77,012	$ 84,575	$ 113,385
100,839	121,565	94,358	113,525	144,655
57,630	69,875	49,451	60,090	64,119
614,036	698,377	881,200	890,849	1,418,285
82,212	99,361	84,358	93,020	123,534
106,537	127,205	100,614	122,835	153,524
61,128	73,518	52,586	65,431	67,366
510,092	395,659	1,194,006	1,462,718	1,392,552
453%	454%	454%	397%	407%
32.07%	30.50%	33.33%	31.35%	24.98%
66.05	95.79	77.58	79.84	52.42
$ 22,354	$ 24,941	$ 25,584	$ 25,417	$ 27,469
19,953	21,396	22,813	23,535	25,877
32,263	40,296	38,407	27,098	34,138
22,069	29,742	41,454	44,826	35,811
$ 16,809	$ 18,047	$ 18,884	$ 19,897	$ 21,970
16,242	17,136	17,848	19,058	21,820
15,293	16,849	17,636	17,363	15,499
18,161	24,072	32,689	38,148	29,339
42,634	57,180	55,364	47,813	60,269
26,051	25,528	42,314	39,944	45,185
52,484	78,581	78,343	57,571	73,568
18,127	19,191	45,936	67,306	59,975
46.6	44.7	49.4	62.0	59.9
22.78%	27.31%	17.69%	20.04%	16.50%
$ 26,337	$ 37,282	$ 18,742	$ 26,187	$ 25,372
6.07%	13.08%	4.28%	3.76%	5.50%
$ 5,349	$ 12,876	$ 3,339	$ 3,026	$ 6,287

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 2.87	$ 3.46	$ 2.73	$ 0.28
Receivables	13.57	13.19	12.80	15.73
Inventories	7.30	7.41	7.83	8.71
Marketable securities	0.35	0.00	0.00	0.00
Other current assets	0.80	0.85	0.49	0.58
	24.89	24.91	23.85	25.30
Plant Investment:				
Land and building	6.33	3.60	3.47	5.07
Machinery and equipment	29.66	25.14	34.61	34.83
Other fixed assets	2.78	2.69	3.21	1.77
	38.77	31.43	41.29	41.67
Non-Current Assets	3.26	2.51	2.69	6.70
TOTAL INVESTMENT	66.92	58.85	67.83	73.67
INVESTMENT TURNOVER PER $100 OF SALES	149.43%	169.92%	147.43%	135.74%
EARNINGS				
Cost of Product	$80.25	$73.19	$82.31	$75.65
Selling Expenses	5.40	5.25	3.16	1.67
Administrative Expenses	8.19	8.48	10.96	8.54
	93.84	86.92	96.43	85.86
Income Before Interest, Other Income (Expense), and Taxes	6.16	13.08	3.57	14.14
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.20%	22.23%	5.26%	19.19%

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION**	SALES FROM $10 TO $20 MILLION**	SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	ALL FIRMS
$ 3.50	$ 5.52	$ 2.51	$ 3.49	$ 1.58
12.55	11.88	12.88	16.53	15.99
7.53	6.76	7.05	7.29	6.82
0.27	0.00	0.69	0.42	0.16
1.23	1.25	0.48	0.92	0.35
25.08	25.41	23.61	28.65	24.90
5.52	2.12	8.13	2.34	9.28
31.61	24.67	25.17	28.76	29.64
3.01	3.54	2.80	2.25	2.27
40.14	30.33	36.10	33.35	41.19
1.27	2.32	3.71	7.36	5.44
66.49	58.06	63.42	69.36	71.53
150.40%	172.24%	157.68%	144.18%	139.80%
$77.22	$72.69	$82.31	$79.96	$83.50
6.56	5.32	5.04	6.55	3.70
9.24	9.12	6.97	7.89	6.15
93.02	87.13	94.32	94.40	93.35
6.98	12.87	5.68	5.60	6.65
10.50%	22.17%	8.96%	8.07%	9.30%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	46.25	45.92	43.13
FACTORY EXPENSES	21.23	15.46	19.42
TOTAL FACTORY COST OF PRODUCT	67.48	61.38	62.55
GROSS PROFIT	32.52	38.62	37.45
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	12.71	8.54	22.60
Selling expenses	7.38	4.42	4.22
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.09	12.96	26.82
INCOME BEFORE INTEREST EXPENSE	12.43	25.66	10.63
Interest expense	3.73	2.37	5.41
OPERATING INCOME	8.70	23.29	5.22
Other income (expense)	1.15	0.41	(0.11)
INCOME BEFORE INCOME TAXES	9.85	23.70	5.11

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
X	X	X	X
X	X	X	X
100.00%	100.00%	100.00%	100.00%
44.55	36.17	45.87	48.88
23.20	19.01	19.43	18.85
67.75	55.18	65.30	67.73
32.25	44.82	34.70	32.27
16.16	11.89	13.86	11.60
4.83	0.51	4.98	11.06
20.99	12.40	18.84	22.66
11.26	32.42	15.86	9.61
4.07	3.82	2.40	4.28
7.19	28.60	13.46	5.33
2.40	0.00	0.46	3.80
9.59	28.60	13.92	9.13

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	4.38%	0.18%	3.84%
Direct wages	29.62	39.64	33.68
General factory salaries and wages	3.32	1.56	0.00
Packing, shipping and delivery wages	2.20	0.00	0.66
Payroll taxes	2.78	2.12	1.58
Employee benefits	3.95	2.42	3.37
TOTAL FACTORY PAYROLL	46.25	45.92	43.13
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.51	0.27	0.35
Depreciation - other	4.50	2.73	10.43
Taxes - real estate	0.29	0.45	0.39
Taxes - other	0.43	0.16	0.24
Insurance	0.60	0.16	0.67
Building rent	1.73	0.55	2.53
Utilities - heat, light, etc.	2.11	1.48	1.39
Equipment rental	1.02	0.36	0.46
Total Fixed Expenses	11.19	6.16	16.46
Other Expenses			
Factory supplies and expense	3.93	6.75	1.90
Packing, shipping and delivery expense	3.05	1.01	0.54
Repairs and maintenance	2.48	1.21	0.33
Other factory expenses	0.58	0.33	0.19
Total Other Expenses	10.04	9.30	2.96
TOTAL FACTORY EXPENSES	21.23	15.46	19.42
ADMINISTRATIVE EXPENSES			
Salaries - executive	4.20	2.74	9.48
Salaries - office	2.58	1.77	1.83
Payroll taxes	0.37	0.22	0.27
Employee benefits	0.59	0.13	0.50
Bad debts	0.75	0.09	6.85
Office supplies and expenses	0.46	0.22	0.39
Professional fees	1.11	1.14	0.44
Taxes - business	0.10	0.16	0.17
Telephone	0.60	0.23	0.55
Other administrative expenses	1.95	1.84	2.12
TOTAL ADMINISTRATIVE EXPENSES	12.71	8.54	22.60
SELLING EXPENSES			
Salaries - executive	1.13	0.47	0.34
Salaries and commissions - salesmen	3.01	2.68	2.03
Salaries - sales office clerical	0.75	0.00	0.75
Payroll taxes	0.21	0.13	0.21
Employee benefits	0.27	0.17	0.31
Advertising	0.24	0.11	0.05
Travel and entertainment	1.23	0.42	0.42
Other selling expenses	0.54	0.44	0.11
TOTAL SELLING EXPENSES	7.38	4.42	4.22

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
1.82%	0.28%	3.86%	1.74%
32.20	31.52	30.67	31.98
2.33	0.00	3.58	6.42
2.64	0.00	2.09	1.35
2.18	0.89	3.15	2.83
3.38	3.48	2.52	4.56
44.55	36.17	45.87	48.88
0.42	0.00	0.34	0.45
5.66	9.81	3.67	5.46
0.28	0.56	0.18	0.53
0.21	0.01	0.67	0.37
0.75	1.08	0.56	0.53
1.33	0.85	0.70	1.82
1.38	1.45	2.15	1.70
0.42	0.75	0.92	0.23
10.45	14.51	9.19	11.09
3.70	1.66	5.41	3.07
5.87	0.67	0.63	0.68
2.54	2.10	2.47	3.07
0.64	0.07	1.73	0.94
12.75	4.50	10.24	7.76
23.20	19.01	19.43	18.85
4.76	6.99	4.20	3.54
3.78	1.51	3.30	2.69
0.44	0.24	0.52	0.35
0.58	0.11	0.72	0.83
0.97	0.15	0.19	0.67
0.67	0.45	0.65	0.93
1.42	0.99	1.51	0.65
0.32	0.00	0.24	0.07
0.59	0.47	0.40	0.83
2.63	0.98	2.13	1.04
16.16	11.89	13.86	11.60
0.63	0.00	1.06	0.70
1.55	0.18	1.55	4.36
0.27	0.00	0.75	2.37
0.10	0.02	0.21	0.34
0.15	0.00	0.28	0.52
0.59	0.00	0.18	0.91
0.50	0.22	0.14	1.31
1.04	0.09	0.81	0.55
4.83	0.51	4.98	11.06

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	37.97	42.89	38.33
Other chargeable materials	6.36	5.45	3.80
Outside services	6.30	5.00	5.57
TOTAL MATERIAL	50.63	53.34	47.70
FACTORY PAYROLL	22.54	21.39	23.44
FACTORY EXPENSES	10.35	7.22	10.46
TOTAL FACTORY COST OF PRODUCT	83.52	81.95	81.60
GROSS PROFIT	16.48	18.05	18.40
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	6.58	3.93	11.05
Selling expenses	3.81	2.07	2.66
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	10.39	6.00	13.71
INCOME BEFORE INTEREST EXPENSE	6.09	12.05	4.69
Interest expense	1.75	1.11	2.69
OPERATING INCOME	4.34	10.94	2.00
Other income (expense)	0.61	0.18	(0.08)
INCOME BEFORE INCOME TAXES	4.95	11.12	1.92

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	3.22%	4.03%	1.33%
Film	0.79	0.47	1.33
Plates	0.86	0.95	0.91
Other chargeable materials	1.49	0.00	0.23
TOTAL OTHER CHARGEABLE MATERIALS	6.36	5.45	3.80
OUTSIDE SERVICES			
Composition	2.85	0.00	0.22
Offset preparation	0.14	0.49	0.00
Printing	1.19	0.00	0.00
Binding	0.95	4.51	5.35
Other outside services	1.17	0.00	0.00
TOTAL OUTSIDE SERVICES	6.30	5.00	5.57

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
36.28	36.51	41.43	31.42
5.58	7.34	4.31	7.94
4.06	1.91	4.22	3.19
45.92	45.76	49.96	42.55
23.71	20.83	22.67	28.12
12.86	10.18	9.31	10.85
82.49	76.77	81.94	81.52
17.51	23.23	18.06	18.48
8.94	5.65	7.52	6.68
2.97	0.23	2.51	6.37
11.91	5.88	10.03	13.05
5.60	17.35	8.03	5.43
2.18	2.43	1.18	2.45
3.42	14.92	6.85	2.98
1.25	0.00	0.16	2.25
4.67	14.92	7.01	5.23

2.57%	1.61%	1.19%	1.63%
1.24	2.56	0.45	1.19
1.09	1.47	0.83	1.91
0.68	1.70	1.84	3.21
5.58	7.34	4.31	7.94
0.76	0.51	2.06	0.02
0.02	0.01	0.00	0.96
3.07	1.25	2.13	0.01
0.00	0.00	0.00	0.58
0.21	0.14	0.03	1.62
4.06	1.91	4.22	3.19

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.13%	0.08%	2.17%
Direct wages	14.33	18.47	17.94
General factory salaries and wages	1.67	0.75	0.00
Packing, shipping and delivery wages	1.08	0.00	0.42
Payroll taxes	1.35	0.96	1.00
Employee benefits	1.98	1.13	1.91
TOTAL FACTORY PAYROLL	22.54	21.39	23.44
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.29	0.13	0.22
Depreciation - other	2.18	1.30	5.49
Taxes - real estate	0.13	0.21	0.24
Taxes - other	0.21	0.07	0.12
Insurance	0.31	0.07	0.33
Building rent	0.84	0.25	1.23
Utilities - heat, light, etc.	1.05	0.69	0.73
Equipment rental	0.50	0.16	0.23
Total Fixed Expenses	5.51	2.88	8.59
Other Expenses			
Factory supplies and expense	1.88	3.12	1.20
Packing, shipping and delivery expense	1.43	0.49	0.34
Repairs and maintenance	1.26	0.57	0.21
Other factory expenses	0.27	0.16	0.12
Total Other Expenses	4.84	4.34	1.87
TOTAL FACTORY EXPENSES	10.35	7.22	10.46
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.17	1.24	4.74
Salaries - office	1.29	0.82	1.03
Payroll taxes	0.18	0.10	0.17
Employee benefits	0.31	0.06	0.29
Bad debts	0.42	0.04	2.89
Office supplies and expenses	0.23	0.11	0.20
Professional fees	0.55	0.52	0.23
Taxes - business	0.05	0.08	0.08
Telephone	0.30	0.11	0.31
Other administrative expenses	1.08	0.85	1.11
TOTAL ADMINISTRATIVE EXPENSES	6.58	3.93	11.05
SELLING EXPENSES			
Salaries - executive	0.61	0.23	0.21
Salaries and commissions - salesmen	1.58	1.24	1.29
Salaries - sales office clerical	0.35	0.00	0.47
Payroll taxes	0.11	0.06	0.13
Employee benefits	0.14	0.08	0.20
Advertising	0.12	0.05	0.03
Travel and entertainment	0.63	0.20	0.26
Other selling expenses	0.27	0.21	0.07
TOTAL SELLING EXPENSES	3.81	2.07	2.66

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
0.84%	0.18%	1.92%	1.00%
17.37	18.44	15.19	18.40
1.21	0.00	1.62	3.69
1.30	0.00	1.24	0.78
1.11	0.40	1.57	1.64
1.88	1.81	1.13	2.61
23.71	20.83	22.67	28.12
0.24	0.00	0.14	0.26
3.06	5.47	1.67	3.14
0.14	0.29	0.07	0.30
0.12	0.01	0.28	0.21
0.39	0.57	0.28	0.31
0.73	0.44	0.42	1.04
0.72	0.70	1.03	0.98
0.22	0.34	0.53	0.14
5.62	7.82	4.42	6.38
1.93	0.87	2.72	1.78
3.74	0.30	0.29	0.39
1.27	1.16	1.12	1.77
0.30	0.03	0.76	0.53
7.24	2.36	4.89	4.47
12.86	10.18	9.31	10.85
2.44	3.20	2.10	2.04
2.24	0.83	1.93	1.55
0.25	0.11	0.28	0.20
0.35	0.07	0.32	0.48
0.56	0.08	0.12	0.38
0.36	0.21	0.38	0.54
0.82	0.50	0.93	0.38
0.17	0.00	0.16	0.04
0.31	0.21	0.20	0.48
1.44	0.44	1.10	0.59
8.94	5.65	7.52	6.68
0.39	0.00	0.68	0.39
0.93	0.08	0.72	2.53
0.18	0.00	0.37	1.36
0.06	0.01	0.11	0.20
0.10	0.00	0.12	0.29
0.40	0.00	0.08	0.53
0.26	0.10	0.07	0.76
0.65	0.04	0.36	0.31
2.97	0.23	2.51	6.37

BALANCE SHEET

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	6.34%	5.56%	2.23%
Receivables	32.55	45.72	27.83
Inventories	13.95	13.32	13.92
Other current assets	2.48	0.49	1.58
TOTAL CURRENT ASSETS	55.32	65.09	45.56
FIXED ASSETS			
Real estate	11.93	13.84	11.62
Less: Accumulated depreciation	3.05	1.15	3.17
	8.88	12.69	8.45
Machinery and equipment	49.79	36.84	63.99
Less: Accumulated depreciation	23.55	15.37	23.13
	26.24	21.47	40.86
Other fixed assets	3.83	0.51	3.86
Less: Accumulated depreciation	1.78	0.00	1.85
	2.05	0.51	2.01
NET FIXED ASSETS	37.17	34.67	51.32
OTHER ASSETS	7.51	0.24	3.12
TCTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	4.57	4.19	7.51
Accounts payable	15.34	25.94	19.75
Other current liabilities	11.40	1.73	11.85
TOTAL CURRENT LIABILITIES	31.31	31.86	39.11
LONG-TERM LIABILITIES	27.98	22.66	31.71
TOTAL LIABILITIES	59.29	54.52	70.82
SHAREHOLDERS' AND PROPRIETORS' EQUITY	40.71	45.48	29.18
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.77	2.04	1.16
QUICK RATIO	1.32	1.62	0.81
TOTAL LIABILITIES TO EQUITY	1.46	1.20	2.43
LONG-TERM LIABILITIES TO EQUITY	0.69	0.50	1.09
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.47	0.42	0.36

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
6.56%	13.58%	6.60%	3.43%
25.73	26.54	22.32	34.00
7.86	5.48	14.20	14.77
1.85	1.55	3.29	1.62
42.00	47.15	46.41	53.82
21.04	10.50	9.48	7.41
2.53	4.09	1.17	2.46
18.51	6.41	8.31	4.95
57.95	84.09	44.96	65.69
25.90	42.87	13.56	28.64
32.05	41.22	31.40	37.05
2.34	1.79	6.72	4.88
1.07	0.78	4.73	2.56
1.27	1.01	1.99	2.32
51.83	48.64	41.70	44.32
6.17	4.21	11.89	1.86
100.00	100.00	100.00	100.00
14.08	0.38	4.19	6.57
15.72	18.99	9.36	11.50
7.99	13.16	8.24	6.74
37.79	32.53	21.79	24.81
31.56	31.86	47.18	36.58
69.35	64.39	68.97	61.39
30.65	35.61	31.03	38.61
100.00	100.00	100.00	100.00
1.11	1.45	2.13	2.17
0.90	1.28	1.48	1.57
2.26	1.81	2.22	1.59
1.03	0.89	1.52	0.95
0.45	0.51	0.30	0.44

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 41,065	$ 33,242	$ 40,174
Average assets per factory employee (Excluding Executives)	52,982	36,658	47,562
Average net worth per employee - All employees	15,793	16,391	9,554
Average gross plant investment per factory employee (Excluding Executives)	33,724	22,210	34,924
Net worth percentage of fixed assets	142.73%	166.46%	52.59%
EMPLOYEES			
Percent factory - All employees	84.90%	90.87%	88.07%
Percent administrative - All employees	9.31	5.87	8.78
Percent sales - All employees	5.79	3.26	3.15
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 80,138	$ 76,580	$ 80,319
Sales per factory employee	95,257	84,234	90,396
Sales less material per factory employee	46,711	39,698	42,504
Sales per administrative employee	1,026,207	1,517,093	859,725
EXCLUDING EXECUTIVES			
Sales per employee - All employees	86,960	78,298	89,480
Sales per factory employee	100,717	84,445	94,622
Sales less material per factory employee	49,437	39,800	44,588
SALES PER SALESMAN	1,712,771	0	0
SALES TO CURRENT ASSETS	433%	392%	420%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	29.28%	25.23%	31.96%
Factory payroll percentage of gross plant investment	86.34	133.61	51.63
Payroll per employee - All employees	$ 23,116	$ 18,990	$ 20,756
Payroll per factory employee	20,987	17,915	17,204
Payroll per administrative employee	34,093	24,423	50,914
Payroll per sales employee	35,762	39,739	14,423
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 17,349	$ 16,675	$ 15,301
Payroll per factory employee	16,701	16,309	14,787
Payroll per administrative employee	15,280	15,063	17,077
Payroll per sales employee	29,411	32,990	12,876
EXECUTIVE PAYROLL			
Payroll per executive - All executives	57,341	53,521	50,689
Payroll per factory executive	40,338	24,500	29,219
Payroll per administrative executive	77,111	58,336	67,905
Payroll per sales executive	44,685	43,762	9,399
RECEIVABLES			
Collection period	58.0	68.1	51.4
PROFIT			
Gross profit percentage of sales	16.48%	18.05%	18.40%
Average gross profit per factory employee	$ 16,694	$ 15,675	$ 18,231
Income before taxes percentage of sales	4.95%	11.12%	1.92%
Average income before taxes per employee	$ 3,845	$ 9,092	$ 2,813

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 48,989	$ 52,394	$ 76,440	$ 30,950
63,164	59,526	97,206	38,287
15,624	16,974	20,739	11,575
48,851	56,890	66,433	29,857
73.98%	78.16%	98.35%	137.28%
80.09%	87.93%	83.69%	83.13%
14.25	11.29	10.83	7.86
5.66	0.78	5.48	9.01
$ 95,902	$ 129,838	$ 93,051	$ 66,437
120,215	151,615	112,896	80,859
62,217	75,860	53,231	46,231
910,344	1,133,779	1,038,597	886,740
104,381	141,486	100,852	69,904
124,322	152,099	117,531	82,717
64,020	76,168	55,481	47,298
1,028,941	0	1,224,159	995,652
540%	543%	390%	436%
30.64%	25.13%	29.30%	37.17%
60.64	43.06	82.01	77.64
$ 26,159	$ 28,511	$ 24,948	$ 24,233
24,592	24,323	22,947	21,742
33,330	48,906	35,296	35,027
22,121	10,730	31,294	35,362
$ 20,680	$ 20,499	$ 19,234	$ 18,900
20,946	20,611	18,971	17,897
16,869	18,186	16,963	17,156
18,269	9,438	22,600	31,334
46,864	63,425	49,887	40,042
28,945	12,500	39,697	29,716
52,050	61,758	61,778	51,396
31,751	0	36,482	23,612
49.2	56.4	50.7	59.5
17.51%	23.23%	18.06%	18.48%
$ 23,097	$ 36,867	$ 20,559	$ 16,381
4.67%	14.92%	7.01%	5.23%
$ 6,163	$ 19,825	$ 6,338	$ 3,817

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 3.17	$ 2.05	$ 1.48
Receivables	15.39	18.47	14.07
Inventories	6.02	5.62	7.53
Marketable securities	0.69	0.00	0.00
Other current assets	0.57	0.19	0.89
	25.84	26.33	23.97
Plant Investment:			
Land and building	5.45	6.48	7.69
Machinery and equipment	24.65	15.88	35.83
Other fixed assets	2.12	0.19	2.55
	32.22	22.55	46.07
Non-Current Assets	4.23	0.09	1.64
TOTAL INVESTMENT	62.29	48.97	71.68
INVESTMENT TURNOVER PER $100 OF SALES	160.54%	204.21%	139.51%
EARNINGS			
Cost of Product	$83.52	$81.95	$81.60
Selling Expenses	3.81	2.07	2.66
Administrative Expenses	6.58	3.93	11.05
	93.91	87.95	95.31
Income Before Interest, Other Income (Expense), and Taxes	6.09	12.05	4.69
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.78%	24.61%	6.54%

** Sample insufficient for Profit Leaders.

NEWSPAPER		CATALOG AND DIRECTORY**	BOOK**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 2.66	$ 3.28	$ 2.65	$ 1.29
12.97	14.54	13.46	15.83
4.23	3.50	8.39	6.81
0.68	0.00	0.39	0.00
0.48	0.58	1.15	0.84
21.02	21.90	26.04	24.77
11.25	6.06	7.91	3.80
30.46	42.21	35.89	32.31
1.18	0.42	3.18	2.10
42.89	48.69	46.98	38.21
4.30	3.36	10.74	0.94
68.21	73.95	83.76	63.92
146.61%	135.23%	119.39%	156.45%
$82.49	$76.77	$81.94	$81.52
2.97	0.23	2.51	6.37
8.94	5.65	7.52	6.68
94.40	82.65	91.97	94.57
5.60	17.35	8.03	5.43
8.21%	23.46%	9.59%	8.50%

ABSOLUTE DATA

		AVERAGE FIRM REPORTING**		
	NUMBER OF PARTICIPATING FIRMS	TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	55	$5,819,000	$10,617,000	$ 526,000
TOTAL - PROFIT LEADERS*	11	2,701,000	6,521,000	816,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$1,500,000	5	441,000	832,000	35,000
$1,500,000-$5,000,000	22	1,553,000	3,252,000	213,000
$5,000,000-$10,000,000	14	3,711,000	7,374,000	310,000
$10,000,000-$20,000,000	5	7,511,000	13,967,000	526,000
Over $20,000,000	9	21,573,000	37,239,000	1,899,000
PROFIT LEADERS				
0-$1,500,000	2	634,000	906,000	117,000
$1,500,000-$5,000,000	6	1,319,000	3,374,000	470,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	16	5,741,000	10,890,000	567,000
Magazine and Periodical	2	1,512,000	2,854,000	75,000
Newspaper	10	6,423,000	11,896,000	550,000
Catalog and Directory	3	29,887,000	43,082,000	2,040,000
Book	4	2,661,000	5,624,000	312,000
PROFIT LEADERS				
Commercial and Advertising	2	7,320,000	15,941,000	2,088,000
Newspaper	2	986,000	2,475,000	378,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	

62.2% divided by 3 = 20.7%

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages.

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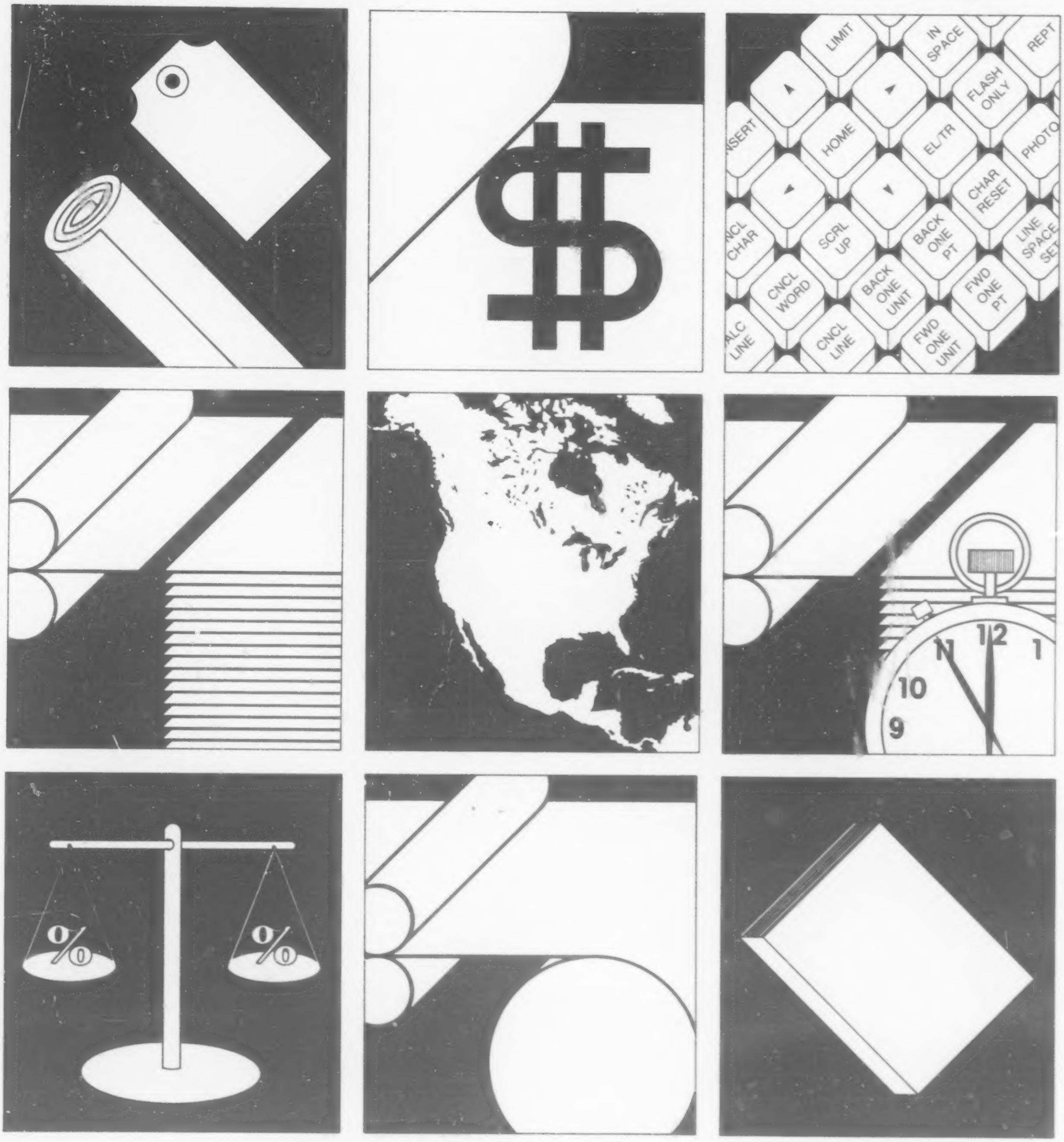
Printing Industries of America, Inc.

1983 Financial Ratios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Volume VIII

Combination Offset—Sheetfed/Web

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management

  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

COMBINATION OFFSET-SHEETFED/WEB

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PRINTING INDUSTRIES OF AMERICA, INC.

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CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1983 PIA FINANCIAL RATIOS FOR COMBINATION SHEETFED/WEB PRINTERS. This Ratio Study was developed on the basis of questionnaires volunteered by 81 firms and presents the ratios and statistics of Combination Sheetfed/Web Printers by sales volume, by product, and by percentage of web sales. Because many participants produce substantially even percentages of sheetfed and web sales, they have difficulty classifying themselves strictly as a sheetfed or web printer. This new volume gives recognition to that problem.

Thus the user of the report can direct himself to the standards for his sales size - for example, sales to $1.5 million, sales from $1.5 to $5 million, etc.; product specialty - for example, Commercial and Advertising, Newspaper, etc.; and percentage of web sales - for example, 21% to 41%, 41% to 61%, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Jim Olsen
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ABSOLUTE DATA 48

Dear Combination Printer:

For the first time in the history of the Financial Ratio Studies there is a separate classification for "combination" sheetfed/web plants. Those printers whose sales are more than 20% web and more than 20% sheetfed are classified as "combination" shops. Less than 20% web is classified as sheetfed and more than 80% web is classified as web — either heatset or non-heatset.

Chapter One deals with size of firm, Chapter Two with Product Specialty and Chapter Three with Percentage of Web Sales.

Chapter Three gives us a unique perspective of profitability by percentage of web sales volume. There is an indication that the firms between 41% to 60% are more profitable than those in the other brackets.

Eighty-one firms in all participated in this category which is a very good representation for the firs [illegible] of the study.

Sincerely,

James Olsen

James E. Olsen
Vice-President
PIA/Management Services

VALUE ADDED DEFINED

Value added is simply your sales less material costs, which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$ 23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services -- composition, offset preparation, printing, bindery, etc.

KNOWN BY OTHER TERMS

Value added is also known by such other terms as inside sales, conversion value, inside manufacturing value and real contribution to overhead and profit. Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

CONCEPTUAL UNDERSTANDING OF VALUE ADDED

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry.

Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the value added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

STATEMENT OF OPERATIONS -- VALUE ADDED: THE BETTER STATEMENT

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.04	39.29	51.18
FACTORY EXPENSES	21.40	18.67	22.21
TOTAL FACTORY COST OF PRODUCT	66.44	57.96	73.39
GROSS PROFIT	33.56	42.04	26.61
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	13.41	13.21	15.93
Selling expenses	13.81	11.55	13.25
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	27.22	24.76	29.18
INCOME (LOSS) BEFORE INTEREST EXPENSE	6.34	17.28	(2.57)
Interest expense	4.68	2.59	2.20
OPERATING INCOME (LOSS)	1.66	14.69	(4.77)
Other income	1.66	1.96	1.87
INCOME (LOSS) BEFORE INCOME TAXES	3.32	16.65	(2.90)

* See Page 10 for the definition of "Profit Leaders."

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X	X	X
X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
42.89	37.38	43.98	39.16	47.62	39.42	45.03
21.11	16.74	21.86	18.32	21.54	21.33	18.18
64.00	54.12	65.84	57.48	69.16	60.75	63.21
36.00	45.88	34.16	42.52	30.84	39.25	36.79
16.06	18.73	12.22	11.60	10.73	8.87	8.46
12.28	10.30	14.85	12.90	14.98	12.57	14.78
28.34	29.03	27.07	24.50	25.71	21.44	23.24
7.66	16.85	7.09	18.02	5.13	17.81	13.55
4.97	2.60	5.07	3.06	4.88	2.97	2.62
2.69	14.25	2.02	14.96	0.25	14.84	10.93
1.40	2.28	2.28	1.17	1.52	5.15	0.23
4.09	16.53	4.30	16.13	1.77	19.99	11.16

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.68%	2.24%	2.79%
Direct wages	30.57	26.36	42.54
General factory salaries and wages	3.98	4.28	0.58
Packing, shipping and delivery wages	1.49	1.03	1.07
Payroll taxes	2.60	2.32	1.80
Employee benefits	3.72	3.06	2.40
TOTAL FACTORY PAYROLL	45.04	39.29	51.18
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.49	0.40	1.11
Depreciation - other	5.59	5.01	4.53
Taxes - real estate	0.40	0.36	0.13
Taxes - other	0.39	0.34	0.53
Insurance	0.63	0.77	1.11
Building rent	1.62	1.39	3.78
Utilities - heat, light, etc.	2.16	1.74	2.20
Equipment rental	0.68	0.85	0.33
Total Fixed Expenses	11.96	10.86	13.72
Other Expenses			
Factory supplies and expense	3.65	2.95	2.85
Packing, shipping and delivery expense	1.99	1.66	2.50
Repairs and maintenance	2.68	2.62	2.95
Other factory expenses	1.12	0.58	0.19
Total Other Expenses	9.44	7.81	8.49
TOTAL FACTORY EXPENSES	21.40	18.67	22.21
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.87	4.75	6.16
Salaries - office	2.90	2.18	4.48
Payroll taxes	0.39	0.45	0.36
Employee benefits	0.96	1.22	0.61
Bad debts	1.01	0.73	0.66
Office supplies and expenses	0.52	0.50	0.51
Professional fees	0.83	0.76	1.04
Taxes - business	0.16	0.19	0.09
Telephone	0.80	0.82	0.70
Other administrative expenses	1.97	1.61	1.32
TOTAL ADMINISTRATIVE EXPENSES	13.41	13.21	15.93
SELLING EXPENSES			
Salaries - executive	1.74	1.85	1.03
Salaries and commissions - salesmen	7.04	6.24	6.96
Salaries - sales office clerical	1.10	0.60	0.01
Payroll taxes	0.43	0.29	0.35
Employee benefits	0.55	0.50	0.14
Advertising	0.45	0.35	0.93
Travel and entertainment	1.40	1.08	1.87
Other selling expenses	1.10	0.64	1.96
TOTAL SELLING EXPENSES	13.81	11.55	13.25

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.83%	2.02%	2.37%	2.62%	2.82%	1.76%	2.21%
27.91	19.32	30.11	28.94	31.61	30.09	29.87
4.88	9.18	3.54	1.92	3.90	1.37	5.45
1.31	0.97	1.42	0.80	2.04	1.66	1.01
2.67	2.09	2.63	2.31	2.70	2.42	2.72
3.29	3.80	3.91	2.57	4.55	2.12	3.77
42.89	37.38	43.98	39.16	47.62	39.42	45.03
0.37	0.36	0.42	0.51	0.63	0.41	0.12
5.25	5.23	6.96	4.91	5.08	4.82	4.29
0.37	0.28	0.43	0.32	0.47	0.71	0.49
0.23	0.28	0.59	0.42	0.39	0.12	0.27
0.62	0.62	0.65	0.85	0.52	0.35	0.30
1.94	1.71	1.60	1.08	0.63	0.85	0.98
1.83	0.84	2.32	1.92	2.38	2.93	2.73
0.91	0.39	0.29	0.78	0.91	2.90	0.36
11.52	9.71	13.26	10.79	11.01	13.09	9.54
3.49	2.43	3.51	2.58	4.13	4.23	4.28
2.28	1.30	1.48	1.90	2.06	0.65	1.43
2.47	2.45	2.81	2.79	2.93	1.98	1.78
1.35	0.85	0.80	0.26	1.41	1.38	1.15
9.59	7.03	8.60	7.53	10.53	8.24	8.64
21.11	16.74	21.86	18.32	21.54	21.33	18.18
4.88	8.82	3.38	3.31	2.44	1.31	2.50
3.41	2.50	2.29	1.97	2.49	2.23	1.94
0.53	0.65	0.30	0.39	0.28	0.22	0.27
1.40	2.25	0.72	0.60	0.70	1.01	0.61
1.02	0.16	1.08	1.56	1.12	0.30	0.33
0.66	0.58	0.50	0.41	0.35	0.27	0.38
0.83	0.83	1.03	0.77	0.58	0.65	0.70
0.14	0.15	0.23	0.35	0.16	0.00	0.04
1.03	0.99	0.65	0.78	0.69	0.82	0.60
2.16	1.80	2.04	1.46	1.92	2.06	1.09
16.06	18.73	12.22	11.60	10.73	8.87	8.46
1.67	1.12	2.43	2.61	1.27	1.98	1.91
6.46	6.40	6.84	5.64	8.11	7.71	7.23
0.76	0.56	1.45	0.99	1.54	0.00	1.10
0.40	0.16	0.46	0.36	0.46	0.36	0.42
0.34	0.28	0.85	0.66	0.63	0.30	0.86
0.49	0.53	0.37	0.41	0.36	0.02	0.29
1.16	0.70	1.53	1.48	1.46	1.57	1.65
1.00	0.55	0.92	0.75	1.15	0.63	1.32
12.28	10.30	14.85	12.90	14.98	12.57	14.78

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	26.39	21.90	24.61
Other chargeable materials	5.48	5.72	4.49
Outside services	7.90	8.27	7.57
TOTAL MATERIAL	39.77	35.89	36.67
FACTORY PAYROLL	27.22	25.61	32.40
FACTORY EXPENSES	12.77	11.82	13.97
TOTAL FACTORY COST OF PRODUCT	79.76	73.32	83.04
GROSS PROFIT	20.24	26.68	16.96
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	8.05	8.27	9.93
Selling expenses	8.26	7.36	8.22
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	16.31	15.63	18.15
INCOME (LOSS) BEFORE INTEREST EXPENSE	3.93	11.05	(1.19)
Interest expense	2.74	1.72	1.45
OPERATING INCOME (LOSS)	1.19	9.33	(2.64)
Other income	0.96	1.17	1.23
INCOME (LOSS) BEFORE INCOME TAXES	2.15	10.50	(1.41)

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	2.40%	2.55%	0.96%
Film	1.01	0.93	0.93
Plates	1.29	1.53	1.76
Other chargeable materials	0.78	0.71	0.84
TOTAL OTHER CHARGEABLE MATERIALS	5.48	5.72	4.49
OUTSIDE SERVICES			
Composition	0.78	0.58	0.00
Offset preparation	1.65	0.39	1.29
Printing	1.66	3.83	4.65
Binding	2.34	3.10	1.63
Other outside services	1.47	0.37	0.00
TOTAL OUTSIDE SERVICES	7.90	8.27	7.57

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
24.22	17.87	28.73	25.95	27.28	18.58	28.34
5.03	4.21	5.87	6.77	5.80	5.73	6.92
7.96	10.81	7.18	4.93	8.73	13.59	7.78
37.21	32.89	41.78	37.65	41.81	37.90	43.04
26.86	25.70	25.76	24.97	28.07	24.73	25.63
13.21	11.35	12.46	11.08	12.46	12.93	10.32
77.28	69.94	80.00	73.70	82.34	75.56	78.99
22.72	30.06	20.00	26.30	17.66	24.44	21.01
10.00	11.92	6.98	7.02	6.20	5.57	4.87
7.86	6.68	8.59	8.15	8.53	7.93	8.40
17.86	18.60	15.57	15.17	14.73	13.50	13.27
4.86	11.46	4.43	11.13	2.93	10.94	7.74
3.08	1.89	2.77	1.91	2.76	1.92	1.43
1.78	9.57	1.66	9.22	0.17	9.02	6.31
0.83	1.35	1.22	0.67	0.92	3.14	0.14
2.61	10.92	2.88	9.89	1.09	12.16	6.45
1.74%	0.69%	2.65%	2.37%	2.88%	4.18%	4.45%
1.36	1.18	1.10	1.30	0.78	0.68	0.55
1.19	0.88	1.31	1.60	1.23	0.87	1.92
0.74	1.46	0.81	1.50	0.91	0.00	0.00
5.03	4.21	5.87	6.77	5.80	5.73	6.92
1.35	1.01	0.56	0.73	0.64	0.04	0.11
0.90	0.29	1.99	1.37	2.60	0.10	0.42
3.06	8.71	0.53	1.98	0.63	0.00	0.39
1.26	0.43	2.47	0.85	3.37	13.27	4.17
1.39	0.37	1.63	0.00	1.49	0.13	2.69
7.96	10.81	7.18	4.93	8.73	13.59	7.78

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	1.61%	1.41%	1.75%
Direct wages	18.40	16.82	26.92
General factory salaries and wages	2.48	3.17	0.37
Packing, shipping and delivery wages	0.89	0.66	0.69
Payroll taxes	1.58	1.53	1.13
Employee benefits	2.26	2.02	1.54
TOTAL FACTORY PAYROLL	27.22	25.61	32.40
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.29	0.26	0.65
Depreciation - other	3.29	3.13	2.90
Taxes - real estate	0.23	0.22	0.08
Taxes - other	0.23	0.23	0.35
Insurance	0.38	0.49	0.70
Building rent	0.98	0.91	2.35
Utilities - heat, light, etc.	1.28	1.09	1.37
Equipment rental	0.42	0.56	0.21
Total Fixed Expenses	7.10	6.89	8.61
Other Expenses			
Factory supplies and expense	2.17	1.88	1.81
Packing, shipping and delivery expense	1.24	0.99	1.53
Repairs and maintenance	1.58	1.65	1.90
Other factory expenses	0.68	0.41	0.12
Total Other Expenses	5.67	4.93	5.36
TOTAL FACTORY EXPENSES	12.77	11.82	13.97
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.27	2.90	3.76
Salaries - office	1.76	1.36	2.84
Payroll taxes	0.24	0.28	0.22
Employee benefits	0.56	0.74	0.37
Bad debts	0.60	0.44	0.40
Office supplies and expenses	0.32	0.32	0.34
Professional fees	0.51	0.50	0.68
Taxes - business	0.10	0.12	0.06
Telephone	0.50	0.54	0.44
Other administrative expenses	1.19	1.07	0.82
TOTAL ADMINISTRATIVE EXPENSES	8.05	8.27	9.93
SELLING EXPENSES			
Salaries - executive	1.05	1.23	0.68
Salaries and commissions - salesmen	4.16	3.88	4.17
Salaries - sales office clerical	0.66	0.40	0.00
Payroll taxes	0.26	0.18	0.21
Employee benefits	0.34	0.34	0.09
Advertising	0.28	0.24	0.60
Travel and entertainment	0.84	0.66	1.23
Other selling expenses	0.67	0.43	1.24
TOTAL SELLING EXPENSES	8.26	7.36	8.22

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
1.79%	1.44%	1.32%	1.53%	1.66%	1.00%	1.34%
17.23	12.56	17.67	18.38	18.59	19.02	17.00
3.28	7.09	2.06	1.33	2.31	0.82	3.04
0.83	0.62	0.81	0.52	1.18	1.04	0.57
1.67	1.46	1.56	1.49	1.63	1.53	1.53
2.06	2.53	2.34	1.72	2.70	1.32	2.15
26.86	25.70	25.76	24.97	28.07	24.73	25.63
0.24	0.23	0.24	0.34	0.36	0.23	0.07
3.26	3.53	3.89	2.90	2.90	2.91	2.42
0.23	0.17	0.22	0.20	0.26	0.43	0.29
0.15	0.20	0.34	0.27	0.23	0.08	0.13
0.38	0.39	0.39	0.52	0.30	0.23	0.18
1.18	1.21	0.93	0.62	0.37	0.57	0.58
1.12	0.55	1.32	1.20	1.39	1.77	1.58
0.59	0.29	0.19	0.55	0.53	1.69	0.19
7.15	6.57	7.52	6.60	6.34	7.91	5.44
2.18	1.62	2.06	1.61	2.40	2.55	2.43
1.53	0.85	0.83	1.05	1.21	0.38	0.83
1.51	1.67	1.59	1.65	1.67	1.17	1.01
0.84	0.64	0.46	0.17	0.84	0.92	0.61
6.06	4.78	4.94	4.48	6.12	5.02	4.88
13.21	11.35	12.46	11.08	12.46	12.93	10.32
2.98	5.49	1.87	1.93	1.39	0.79	1.47
2.12	1.56	1.33	1.19	1.44	1.38	1.10
0.34	0.42	0.17	0.23	0.17	0.14	0.15
0.82	1.34	0.43	0.37	0.41	0.65	0.36
0.63	0.10	0.62	0.93	0.64	0.19	0.19
0.44	0.38	0.28	0.26	0.20	0.17	0.22
0.53	0.56	0.59	0.51	0.34	0.38	0.40
0.09	0.09	0.13	0.22	0.09	0.00	0.02
0.69	0.69	0.38	0.48	0.39	0.51	0.33
1.36	1.29	1.18	0.90	1.13	1.36	0.63
10.00	11.92	6.98	7.02	6.20	5.57	4.87
1.05	0.77	1.44	1.76	0.73	1.16	1.16
4.12	4.07	3.86	3.33	4.62	5.06	4.06
0.51	0.34	0.84	0.69	0.89	0.00	0.64
0.26	0.11	0.27	0.23	0.27	0.22	0.24
0.22	0.18	0.53	0.48	0.36	0.17	0.51
0.32	0.37	0.23	0.27	0.20	0.01	0.16
0.73	0.47	0.88	0.87	0.81	0.91	0.94
0.65	0.37	0.54	0.52	0.65	0.40	0.69
7.86	6.68	8.59	8.15	8.53	7.93	8.40

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	5.26%	12.43%	5.18%
Receivables	31.19	30.58	34.04
Inventories	13.36	11.14	14.35
Other current assets	1.96	7.41	(28.41)
TOTAL CURRENT ASSETS	51.77	61.56	25.16
FIXED ASSETS			
Real estate	14.37	9.04	34.84
Less: Accumulated depreciation	3.26	2.32	5.08
	11.11	6.72	29.76
Machinery and equipment	60.61	50.76	73.36
Less: Accumulated depreciation	29.72	24.84	39.04
	30.89	25.92	34.32
Other fixed assets	4.52	4.60	3.98
Less: Accumulated depreciation	2.28	2.46	2.36
	2.24	2.14	1.62
NET FIXED ASSETS	44.24	34.78	65.70
OTHER ASSETS	3.99	3.66	9.14
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	9.21	6.70	7.33
Accounts payable	13.86	8.57	16.02
Other current liabilities	8.36	9.63	9.70
TOTAL CURRENT LIABILITIES	31.43	24.90	33.05
LONG-TERM LIABILITIES	27.99	19.78	12.99
TOTAL LIABILITIES	59.42	44.68	46.04
SHAREHOLDERS' AND PROPRIETORS' EQUITY	40.58	55.32	53.96
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.65	2.47	0.76
QUICK RATIO	1.22	2.02	0.33
TOTAL LIABILITIES TO EQUITY	1.46	0.81	0.85
LONG-TERM LIABILITIES TO EQUITY	0.69	0.36	0.24
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.49	0.49	0.53

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
7.55%	17.60%	5.46%	10.92%	2.11%	5.21%	2.21%
32.01	33.91	29.42	27.01	31.16	33.03	30.48
12.66	9.03	14.07	13.12	13.11	15.17	14.79
3.38	3.37	4.73	6.30	4.81	17.84	9.22
55.60	63.91	53.68	57.35	51.19	71.25	56.70
10.28	8.93	11.92	10.90	18.26	9.02	6.33
2.61	2.39	3.24	2.36	3.98	3.44	1.35
7.67	6.54	8.68	8.54	14.28	5.58	4.98
59.82	49.43	65.03	51.51	55.20	38.20	46.60
28.54	24.13	31.90	24.28	27.86	18.18	19.46
31.28	25.30	33.13	27.23	27.34	20.02	27.14
4.87	2.86	4.40	5.40	4.56	6.36	2.54
2.23	0.98	2.29	2.78	2.31	4.06	2.13
2.64	1.88	2.11	2.62	2.25	2.30	0.41
41.59	33.72	43.92	38.39	43.87	27.90	32.53
2.81	2.37	2.40	4.26	4.94	0.85	10.77
100.00	100.00	100.00	100.00	100.00	100.00	100.00
10.05	11.17	8.20	5.93	9.97	3.32	7.00
15.32	9.85	12.50	8.10	12.76	7.78	12.12
8.41	9.32	7.40	9.28	8.61	12.01	10.71
33.78	30.34	28.10	23.31	31.34	23.11	29.83
28.17	14.57	29.76	21.63	28.59	24.92	39.08
61.95	44.91	57.86	44.94	59.93	48.03	68.91
38.05	55.09	42.14	55.06	40.07	51.97	31.09
100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.65	2.11	1.91	2.46	1.63	3.08	1.90
1.27	1.81	1.41	1.90	1.22	2.43	1.40
1.63	0.82	1.37	0.82	1.50	0.92	2.22
0.74	0.26	0.71	0.39	0.71	0.48	1.26
0.48	0.49	0.49	0.47	0.50	0.48	0.42

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 44,130	$ 51,704	$ 22,962
Average assets per factory employee (Excluding Executives)	58,683	67,206	30,398
Average net worth per employee - All employees	18,026	28,965	12,747
Average gross plant investment per factory employee (Excluding Executives)	44,602	41,858	31,898
Net worth percentage of fixed assets	134.11%	262.27%	274.56%
EMPLOYEES			
Percent factory - All employees	79.13%	81.35%	77.25%
Percent administrative - All employees	10.20	10.09	14.21
Percent sales - All employees	10.67	8.56	8.54
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 76,330	$ 85,356	$ 53,831
Sales per factory employee	97,595	107,862	69,739
Sales less material per factory employee	57,664	67,928	44,186
Sales per administrative employee	926,686	1,171,346	396,784
EXCLUDING EXECUTIVES			
Sales per employee - All employees	82,521	92,699	58,712
Sales per factory employee	101,828	111,728	72,202
Sales less material per factory employee	60,193	70,321	45,749
SALES PER SALESMAN	755,287	886,918	319,618
SALES TO CURRENT ASSETS	354%	312%	316%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	38.55%	36.93%	44.73%
Factory payroll percentage of gross plant investment	73.05	79.63	86.04
Payroll per employee - All employees	$ 28,589	$ 31,450	$ 23,623
Payroll per factory employee	25,138	26,019	22,176
Payroll per administrative employee	36,186	46,084	26,417
Payroll per sales employee	47,553	64,663	29,628
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 22,516	$ 23,655	$ 20,281
Payroll per factory employee	20,974	21,702	19,861
Payroll per administrative employee	17,118	17,788	16,628
Payroll per sales employee	38,314	50,244	24,571
EXECUTIVE PAYROLL			
Payroll per executive - All executives	54,620	73,315	36,586
Payroll per factory executive	35,148	41,360	29,361
Payroll per administrative executive	65,682	77,607	36,591
Payroll per sales executive	53,468	67,659	21,266
RECEIVABLES			
Collection period	65.4	68.7	56.0
PROFIT			
Gross profit percentage of sales	20.24%	26.68%	16.96%
Average gross profit per factory employee	$ 21,296	$ 30,768	$ 12,625
Income (loss) before taxes percentage of sales	2.15%	10.50%	(1.41)%
Average income (loss) before taxes per employee	$ 2,036	$ 9,033	$ (214)

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 38,202	$ 50,693	$ 51,075	$ 52,931	$ 48,049	$ 57,302	$ 68,682
52,489	71,421	66,538	67,199	63,586	69,422	86,909
14,667	31,180	22,351	28,614	19,430	30,190	21,108
38,581	38,135	52,723	46,562	48,069	40,511	47,561
156.42%	444.22%	103.30%	162.23%	98.26%	189.38%	95.04%
77.44%	76.69%	80.26%	82.05%	80.54%	87.95%	82.15%
12.24	14.14	8.60	8.66	8.32	6.99	6.11
10.32	9.17	11.14	9.29	11.14	5.06	11.74
$ 67,201	$ 89,511	$ 82,011	$ 81,590	$ 83,648	$ 84,443	$ 122,184
88,250	124,169	103,178	99,888	105,990	95,958	149,860
54,680	79,690	59,252	61,935	60,338	59,088	84,998
623,305	712,669	1,087,692	1,047,429	1,099,288	1,207,839	2,688,911
74,245	99,642	87,823	87,631	89,382	91,727	128,263
92,801	127,834	106,507	103,405	111,074	101,918	155,408
57,574	82,253	61,094	63,960	63,236	62,478	88,367
411,689	415,700	785,322	714,749	972,957	1,520,311	1,506,569
370%	341%	341%	302%	361%	210%	314%
39.28%	39.97%	36.49%	35.20%	38.34%	34.30%	35.32%
83.00	87.50	60.68	68.00	66.20	91.58	84.08
$ 25,995	$ 35,785	$ 29,295	$ 28,601	$ 31,019	$ 28,243	$ 43,083
22,640	27,716	25,277	24,468	27,716	23,241	37,850
35,880	58,273	36,768	35,551	34,281	35,724	67,201
39,268	54,030	53,623	62,459	55,538	103,727	68,497
$ 20,024	$ 24,696	$ 22,598	$ 22,124	$ 25,150	$ 23,686	$ 33,751
18,903	22,713	20,864	20,452	22,940	20,411	31,627
16,162	17,216	16,837	15,769	17,406	20,966	27,802
30,255	35,015	42,533	51,085	47,851	89,278	51,890
49,161	95,139	63,230	70,287	52,045	36,388	99,294
29,425	31,204	42,837	57,370	36,619	10,436	37,759
58,463	94,296	71,451	70,102	66,237	44,300	150,047
35,937	28,871	69,971	76,823	59,233	84,305	133,712
65.2	69.5	68.2	69.6	65.6	81.2	64.1
22.72%	30.06%	20.00%	26.30%	17.66%	24.44%	21.01%
$ 21,896	$ 40,695	$ 21,739	$ 27,287	$ 20,722	$ 24,476	$ 33,218
2.61%	10.92%	2.88%	9.89%	1.09%	12.16%	6.45%
$ 2,170	$ 9,826	$ 2,621	$ 8,039	$ 1,061	$ 10,445	$ 7,393

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 2.87	$ 7.56	$ 1.94
Receivables	17.15	18.20	14.63
Inventories	7.25	6.72	5.87
Marketable securities	0.20	1.69	(10.83)
Other current assets	1.48	3.07	0.23
	28.95	37.24	11.84
Plant Investment:			
Land and building	8.53	6.05	14.94
Machinery and equipment	33.81	29.67	30.76
Other fixed assets	2.36	2.74	1.77
	44.70	38.46	47.47
Non-Current Assets	2.16	1.94	4.90
TOTAL INVESTMENT	75.81	77.64	64.21
INVESTMENT TURNOVER PER $100 OF SALES	131.91%	128.80%	155.74%
EARNINGS			
Cost of Product	$79.76	$73.32	$83.04
Selling Expenses	8.26	7.36	8.22
Administrative Expenses	8.05	8.27	9.93
	96.07	88.95	101.19
Income (Loss) Before Interest, Other Income, and Taxes	3.93	11.05	(1.19)
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME (LOSS)	5.18%	14.23%	(1.85)%

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 4.09	$11.34	$ 3.13	$ 6.61	$ 1.28	$ 3.75	$ 1.34
16.91	18.50	18.03	18.28	17.36	21.36	16.98
6.83	4.88	7.78	8.10	7.55	10.25	8.24
0.78	0.57	1.01	0.02	1.22	5.60	3.72
1.18	1.41	1.87	4.03	1.82	6.74	1.82
29.79	36.70	31.82	37.04	29.23	47.70	32.10
6.57	5.48	8.05	7.59	10.77	6.56	3.75
33.11	25.71	38.72	33.78	31.42	26.09	26.69
2.36	1.39	2.46	3.53	2.54	4.53	1.48
42.04	32.58	49.23	44.90	44.73	37.18	31.92
1.40	1.27	1.25	2.27	2.90	0.54	6.15
73.23	70.55	82.30	84.21	76.86	85.42	70.17
136.56%	141.74%	121.51%	118.75%	130.11%	117.07%	142.51%
$77.28	$69.94	$80.00	$73.70	$82.34	$75.56	$78.99
7.86	6.68	8.59	8.15	8.53	7.93	8.40
10.00	11.92	6.98	7.02	6.20	5.57	4.87
95.14	88.54	95.57	88.87	97.07	89.06	92.26
4.86	11.46	4.43	11.13	2.93	10.94	7.74
6.64%	16.24%	5.38%	13.22%	3.81%	12.81%	11.03%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%
FACTORY PAYROLL	44.40	38.29
FACTORY EXPENSES	21.96	20.00
TOTAL FACTORY COST OF PRODUCT	66.36	58.29
GROSS PROFIT	33.64	41.71
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	13.17	10.64
Selling expenses	14.56	13.91
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	27.73	24.55
INCOME BEFORE INTEREST EXPENSE	5.91	17.16
Interest expense	5.31	2.31
OPERATING INCOME	0.60	14.85
Other income (expense)	1.58	1.80
INCOME BEFORE INCOME TAXES	2.18	16.65

** Sample insufficient for Profit Leaders.

NEWSPAPER**	FINANCIAL		BOOK**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X
X	X	X	X
100.00%	100.00%	100.00%	100.00%
47.85	43.05	46.62	43.52
19.51	17.18	14.55	24.44
67.36	60.23	61.17	67.96
32.64	39.77	38.83	32.04
12.03	13.33	10.65	11.43
12.59	11.44	10.51	13.13
24.62	24.77	21.16	24.56
8.02	15.00	17.67	7.48
1.48	3.36	3.75	3.81
6.54	11.64	13.92	3.67
3.55	(0.12)	(0.58)	2.97
10.09	11.52	13.34	6.64

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	2.73%	2.46%
Direct wages	30.18	28.27
General factory salaries and wages	3.88	1.50
Packing, shipping and delivery wages	1.48	1.19
Payroll taxes	2.51	2.25
Employee benefits	3.62	2.62
TOTAL FACTORY PAYROLL	44.40	38.29
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.53	0.25
Depreciation - other	5.99	5.25
Taxes - real estate	0.41	0.37
Taxes - other	0.43	0.32
Insurance	0.58	0.73
Building rent	1.55	1.72
Utilities - heat, light, etc.	2.28	2.01
Equipment rental	0.63	1.10
Total Fixed Expenses	12.40	11.75
Other Expenses		
Factory supplies and expense	3.66	2.83
Packing, shipping and delivery expense	1.93	2.29
Repairs and maintenance	2.79	2.64
Other factory expenses	1.18	0.49
Total Other Expenses	9.56	8.25
TOTAL FACTORY EXPENSES	21.96	20.00
ADMINISTRATIVE EXPENSES		
Salaries - executive	3.72	2.85
Salaries - office	2.91	2.78
Payroll taxes	0.32	0.31
Employee benefits	0.97	0.80
Bad debts	1.12	0.81
Office supplies and expenses	0.47	0.44
Professional fees	0.78	0.61
Taxes - business	0.12	0.07
Telephone	0.72	0.62
Other administrative expenses	2.04	1.35
TOTAL ADMINISTRATIVE EXPENSES	13.17	10.64
SELLING EXPENSES		
Salaries - executive	1.71	1.92
Salaries and commissions - salesmen	7.74	8.41
Salaries - sales office clerical	1.03	0.58
Payroll taxes	0.42	0.34
Employee benefits	0.58	0.48
Advertising	0.45	0.23
Travel and entertainment	1.57	1.31
Other selling expenses	1.06	0.64
TOTAL SELLING EXPENSES	14.56	13.91

** Sample insufficient for Profit Leaders.

NEWSPAPER**	FINANCIAL		BOOK**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.84%	2.41%	2.10%	3.57%
34.35	20.55	20.84	30.94
1.10	13.03	16.10	1.66
1.96	0.90	0.56	1.35
2.58	2.91	3.08	2.57
5.02	3.25	3.94	3.43
47.85	43.05	46.62	43.52
0.83	0.26	0.35	0.45
5.36	2.73	3.40	6.37
0.30	0.04	0.05	0.61
0.33	0.43	0.49	0.14
0.71	0.24	0.31	0.78
0.80	1.71	1.77	0.68
1.30	0.84	0.94	2.33
0.07	1.47	1.23	1.16
9.70	7.72	8.54	12.52
4.14	2.33	2.13	4.87
2.53	4.27	0.64	1.12
2.74	1.51	1.85	4.87
0.40	1.35	1.39	1.06
9.81	9.46	6.01	11.92
19.51	17.18	14.55	24.44
3.44	3.49	3.41	2.64
1.74	1.81	1.01	2.25
0.50	0.41	0.36	0.64
0.77	0.47	0.41	0.42
0.91	0.59	0.17	1.15
1.11	0.80	0.53	0.53
1.05	1.37	1.09	0.88
0.14	0.34	0.12	0.22
1.53	1.82	1.07	0.99
0.84	2.23	2.48	1.71
12.03	13.33	10.65	11.43
2.71	2.29	2.91	1.87
3.91	4.48	3.30	5.90
2.44	0.88	0.92	1.71
0.45	0.24	0.22	0.64
0.60	0.80	0.98	0.45
0.41	0.56	0.70	0.10
0.87	0.83	0.68	1.64
1.20	1.36	0.80	0.82
12.59	11.44	10.51	13.13

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIAL		
Paper	27.02	24.93
Other chargeable materials	6.05	7.16
Outside services	8.32	7.71
TOTAL MATERIAL	41.39	39.80
FACTORY PAYROLL	26.14	23.24
FACTORY EXPENSES	12.81	12.03
TOTAL FACTORY COST OF PRODUCT	80.34	75.07
GROSS PROFIT	19.66	24.93
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	7.67	6.35
Selling expenses	8.48	8.36
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	16.15	14.71
INCOME BEFORE INTEREST EXPENSE	3.51	10.22
Interest expense	3.03	1.40
OPERATING INCOME	0.48	8.82
Other income (expense)	0.90	1.09
INCOME BEFORE INCOME TAXES	1.38	9.91

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS		
Ink	2.76%	3.81%
Film	1.03	0.92
Plates	1.35	2.03
Other chargeable materials	0.91	0.40
TOTAL OTHER CHARGEABLE MATERIALS	6.05	7.16
OUTSIDE SERVICES		
Composition	0.72	0.36
Offset preparation	2.04	0.52
Printing	1.02	0.85
Binding	2.80	5.55
Other outside services	1.74	0.43
TOTAL OUTSIDE SERVICES	8.32	7.71

** Sample insufficient for Profit Leaders.
*** Information not submitted.

NEWSPAPER**	FINANCIAL		BOOK**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
27.87	7.48	8.26	37.30
4.77	2.15	2.59	3.65
3.92	10.70	10.16	4.45
36.56	20.33	21.01	45.40
29.54	34.30	36.92	23.28
12.45	13.67	11.40	13.37
78.55	68.30	69.33	82.05
21.45	31.70	30.67	17.95
7.84	10.62	8.36	6.36
8.66	9.19	8.36	7.18
16.50	19.81	16.72	13.54
4.95	11.89	13.95	4.41
0.89	2.65	2.94	2.09
4.06	9.24	11.01	2.32
2.17	(0.10)	(0.47)	1.55
6.23	9.14	10.54	3.87

1.27%	0.23%		1.47%
1.62	1.11		0.73
1.55	0.81		1.45
0.33	0.00		0.00
4.77	2.15	***	3.65
0.18	0.28		0.67
0.78	0.02		0.42
2.42	9.90		1.04
0.20	0.36		1.11
0.34	0.14		1.21
3.92	10.70	***	4.45

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	1.61%	1.44%
Direct wages	17.75	17.23
General factory salaries and wages	2.29	0.88
Packing, shipping and delivery wages	0.86	0.74
Payroll taxes	1.49	1.37
Employee benefits	2.14	1.58
TOTAL FACTORY PAYROLL	26.14	23.24
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.31	0.15
Depreciation - other	3.44	3.12
Taxes - real estate	0.23	0.22
Taxes - other	0.25	0.20
Insurance	0.35	0.46
Building rent	0.93	1.05
Utilities - heat, light, etc.	1.33	1.21
Equipment rental	0.38	0.66
Total Fixed Expenses	7.22	7.07
Other Expenses		
Factory supplies and expense	2.12	1.72
Packing, shipping and delivery expense	1.14	1.33
Repairs and maintenance	1.63	1.59
Other factory expenses	0.70	0.32
Total Other Expenses	5.59	4.96
TOTAL FACTORY EXPENSES	12.81	12.03
ADMINISTRATIVE EXPENSES		
Salaries - executive	2.14	1.66
Salaries - office	1.73	1.68
Payroll taxes	0.19	0.18
Employee benefits	0.56	0.48
Bad debts	0.64	0.46
Office supplies and expenses	0.27	0.27
Professional fees	0.45	0.36
Taxes - business	0.07	0.04
Telephone	0.42	0.38
Other administrative expenses	1.20	0.84
TOTAL ADMINISTRATIVE EXPENSES	7.67	6.35
SELLING EXPENSES		
Salaries - executive	1.00	1.13
Salaries and commissions - salesmen	4.50	5.09
Salaries - sales office clerical	0.58	0.35
Payroll taxes	0.25	0.21
Employee benefits	0.34	0.29
Advertising	0.27	0.14
Travel and entertainment	0.92	0.75
Other selling expenses	0.62	0.40
TOTAL SELLING EXPENSES	8.48	8.36

** Sample insufficient for Profit Leaders.

NEWSPAPER**	FINANCIAL		BOOK**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
1.73%	1.91%	1.63%	1.86%
21.16	16.43	16.56	16.74
0.71	10.30	12.69	0.88
1.27	0.73	0.44	0.73
1.59	2.32	2.44	1.37
3.08	2.61	3.16	1.70
29.54	34.30	36.92	23.28
0.55	0.22	0.29	0.26
3.38	2.12	2.63	3.51
0.19	0.03	0.04	0.32
0.22	0.34	0.39	0.08
0.42	0.19	0.24	0.43
0.42	1.34	1.37	0.32
0.82	0.68	0.76	1.28
0.04	1.19	0.99	0.63
6.04	6.11	6.71	6.83
2.72	1.85	1.69	2.69
1.74	3.48	0.49	0.64
1.69	1.17	1.43	2.70
0.26	1.06	1.08	0.51
6.41	7.56	4.69	6.54
12.45	13.67	11.40	13.37
2.14	2.77	2.69	1.40
1.13	1.46	0.81	1.21
0.35	0.32	0.28	0.36
0.52	0.38	0.33	0.22
0.55	0.48	0.14	0.71
0.79	0.64	0.41	0.30
0.65	1.10	0.87	0.47
0.09	0.28	0.09	0.13
1.04	1.45	0.83	0.57
0.58	1.74	1.91	0.99
7.84	10.62	8.36	6.36
1.72	1.85	2.36	0.97
2.73	3.57	2.52	3.29
1.83	0.72	0.76	0.92
0.33	0.19	0.18	0.35
0.42	0.65	0.80	0.24
0.27	0.45	0.56	0.06
0.56	0.66	0.53	0.92
0.80	1.10	0.65	0.43
8.66	9.19	8.36	7.18

BALANCE SHEET

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	3.98%	8.19%
Receivables	30.40	28.54
Inventories	12.96	12.14
Other current assets	1.37	8.94
TOTAL CURRENT ASSETS	48.71	57.81
FIXED ASSETS		
Real estate	13.76	6.56
Less: Accumulated depreciation	2.82	1.51
	10.94	5.05
Machinery and equipment	63.04	54.76
Less: Accumulated depreciation	28.80	24.57
	34.24	30.19
Other fixed assets	4.34	5.82
Less: Accumulated depreciation	2.09	3.02
	2.25	2.80
NET FIXED ASSETS	47.43	38.04
OTHER ASSETS	3.86	4.15
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	9.47	5.81
Accounts payable	14.38	9.79
Other current liabilities	7.99	10.06
TOTAL CURRENT LIABILITIES	31.84	25.66
LONG-TERM LIABILITIES	30.28	19.10
TOTAL LIABILITIES	62.12	44.76
SHAREHOLDERS' AND PROPRIETORS' EQUITY	37.88	55.24
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.53	2.25
QUICK RATIO	1.12	1.78
TOTAL LIABILITIES TO EQUITY	1.64	0.81
LONG-TERM LIABILITIES TO EQUITY	0.80	0.35
ACCUMULATED DEPRECIATION-MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.46	0.45

** Sample insufficient for Profit Leaders.

NEWSPAPER**	FINANCIAL		BOOK**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
6.51%	3.23%	3.47%	3.48%
31.51	52.64	47.04	36.60
8.12	8.02	10.16	16.44
4.40	6.55	8.54	0.99
50.54	70.44	69.21	57.51
31.28	1.98	2.64	14.92
11.62	1.46	1.94	3.77
19.66	0.52	0.70	11.15
57.49	36.17	43.03	56.89
35.78	16.12	19.61	28.13
21.71	20.05	23.42	28.76
6.64	1.77	1.29	6.16
3.80	0.72	0.73	3.65
2.84	1.05	0.56	2.51
44.21	21.62	24.68	42.42
5.25	7.94	6.11	0.07
100.00	100.00	100.00	100.00
2.27	14.33	16.36	10.34
10.30	10.01	5.29	21.53
3.94	20.13	13.70	9.15
16.51	44.47	35.35	41.02
19.87	15.58	19.55	19.73
36.38	60.05	54.90	60.75
63.62	39.95	45.10	39.25
100.00	100.00	100.00	100.00

3.06	1.58	1.96	1.40
2.57	1.40	1.67	1.00
0.57	1.50	1.22	1.55
0.31	0.39	0.43	0.50
0.62	0.45	0.46	0.49

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 46,341	$ 47,905
Average assets per factory employee (Excluding Executives)	61,559	61,369
Average net worth per employee - All employees	17,383	25,056
Average gross plant investment per factory employee (Excluding Executives)	47,987	40,926
Net worth percentage of fixed assets	93.03%	154.80%
EMPLOYEES		
Percent factory - All employees	79.14%	80.82%
Percent administrative - All employees	9.97	9.72
Percent sales - All employees	10.89	9.46
SALES - VALUE OF PRODUCT PRODUCED		
INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 80,210	$ 86,406
Sales per factory employee	102,446	108,481
Sales less material per factory employee	59,104	65,003
Sales per administrative employee	1,000,132	1,382,564
EXCLUDING EXECUTIVES		
Sales per employee - All employees	86,526	92,991
Sales per factory employee	107,020	112,946
Sales less material per factory employee	61,772	67,575
SALES PER SALESMAN	800,251	928,624
SALES TO CURRENT ASSETS	358%	369%
PAYROLL - INCLUDING TAXES AND BENEFITS		
INCLUDING EXECUTIVES		
Total payroll percentage of sales	37.43%	34.30%
Factory payroll percentage of gross plant investment	63.85	73.79
Payroll per employee - All employees	$ 29,240	$ 29,518
Payroll per factory employee	25,618	24,878
Payroll per administrative employee	36,863	39,966
Payroll per sales employee	50,412	71,052
PAYROLL - EXCLUDING TAXES AND BENEFITS		
EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 23,284	$ 23,838
Payroll per factory employee	21,413	20,827
Payroll per administrative employee	17,884	20,015
Payroll per sales employee	41,680	61,452
EXECUTIVE PAYROLL		
Payroll per executive - All executives	54,542	58,929
Payroll per factory executive	38,141	57,033
Payroll per administrative executive	67,784	61,054
Payroll per sales executive	58,160	87,914
RECEIVABLES		
Collection period	64.7	58.5
PROFIT		
Gross profit percentage of sales	19.66%	24.93%
Average gross profit per factory employee	$ 21,604	$ 28,346
Income before taxes percentage of sales	1.38%	9.91%
Average income before taxes per employee	$ 1,536	$ 8,640

** Sample insufficient for Profit Leaders.

NEWSPAPER**	FINANCIAL		BOOK**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 32,124	$ 34,328	$ 40,917	$ 47,180
40,575	43,803	50,233	63,056
19,952	14,629	18,317	19,705
37,989	19,222	24,092	49,656
151.55%	196.48%	196.37%	92.01%
79.81%	80.60%	85.35%	80.75%
7.50	10.76	8.41	8.44
12.69	8.64	6.24	10.81
$ 54,641	$ 64,948	$ 71,730	$ 77,538
67,738	80,192	84,511	96,903
42,688	64,007	67,027	52,275
789,301	874,565	1,082,663	945,522
60,341	73,409	80,815	84,481
71,326	84,637	87,822	102,333
44,894	67,545	69,607	55,140
170,500	250,000	0	1,295,833
365%	296%	256%	312%
40.72%	46.21%	47.64%	32.24%
56.30	212.32	139.55	57.77
$ 21,095	$ 30,636	$ 34,617	$ 24,873
19,705	28,277	31,774	22,112
28,717	33,971	39,108	29,622
31,765	60,207	72,732	42,417
$ 16,385	$ 24,425	$ 27,196	$ 19,543
16,125	23,704	26,403	18,048
13,396	16,560	18,104	15,255
20,067	30,230	33,053	35,842
29,869	49,423	58,897	42,843
24,879	21,745	23,122	35,841
38,386	48,138	55,196	49,688
38,744	45,753	56,022	57,547
70.1	94.9	97.9	85.5
21.45%	31.70%	30.67%	17.95%
$ 15,395	$ 26,601	$ 26,760	$ 18,745
6.23%	9.14%	10.54%	3.87%
$ 4,059	$ 6,283	$ 7,641	$ 3,190

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 1.94	$ 3.59
Receivables	17.01	15.73
Inventories	7.16	6.71
Marketable securities	0.07	2.80
Other current assets	1.45	3.20
	27.63	32.03
Plant Investment:		
Land and building	8.08	4.26
Machinery and equipment	35.70	28.31
Other fixed assets	2.26	3.10
	46.04	35.67
Non-Current Assets	2.12	2.03
TOTAL INVESTMENT	75.79	69.73
INVESTMENT TURNOVER PER $100 OF SALES	131.94%	143.41%
EARNINGS		
Cost of Product	$80.34	$75.07
Selling Expenses	8.48	8.36
Administrative Expenses	7.67	6.35
	96.49	89.78
Income Before Interest, Other Income (Expense), and Taxes	3.51	10.22
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	4.63%	14.66%

** Sample insufficient for Profit Leaders.

NEWSPAPER**	FINANCIAL		BOOK**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 3.50	$ 1.77	$ 2.09	$ 2.39
17.48	25.50	26.44	21.56
4.49	4.48	5.80	9.35
0.71	0.00	0.00	0.00
1.50	3.61	4.76	0.48
27.68	35.36	39.09	33.78
18.17	1.08	1.44	8.54
32.08	19.70	24.57	35.23
3.29	0.79	0.70	3.87
53.54	21.57	26.71	47.64
3.72	3.70	3.47	0.04
84.94	60.63	69.27	81.46
117.73%	164.93%	144.36%	122.76%
$78.55	$68.30	$69.33	$82.05
8.66	9.19	8.36	7.18
7.84	10.62	8.36	6.36
95.05	88.11	86.05	95.59
4.95	11.89	13.95	4.41
5.83%	19.61%	20.14%	5.41%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	21% TO 41%	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%
FACTORY PAYROLL	46.54	39.39
FACTORY EXPENSES	20.99	18.03
TOTAL FACTORY COST OF PRODUCT	67.53	57.42
GROSS PROFIT	32.47	42.58
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	13.21	11.46
Selling expenses	15.12	13.85
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	28.33	25.31
INCOME BEFORE INTEREST EXPENSE	4.14	17.27
Interest expense	4.20	2.51
OPERATING INCOME (LOSS)	(0.06)	14.76
Other income	1.33	0.07
INCOME BEFORE INCOME TAXES	1.27	14.83

41% TO 61%		61% TO 81%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X
X	X	X	X
100.00%	100.00%	100.00%	100.00%
42.60	42.15	46.12	34.90
22.33	20.53	20.80	16.67
64.93	62.68	66.92	51.57
35.07	37.32	33.08	48.43
13.16	9.64	13.92	20.76
13.31	9.67	12.90	11.50
26.47	19.31	26.82	32.26
8.60	18.01	6.26	16.17
4.53	2.92	5.39	2.19
4.07	15.09	0.87	13.98
1.48	2.83	2.24	3.05
5.55	17.92	3.11	17.03

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	21% TO 41%	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	2.60%	2.17%
Direct wages	31.40	28.82
General factory salaries and wages	4.52	1.98
Packing, shipping and delivery wages	1.65	1.06
Payroll taxes	2.60	2.25
Employee benefits	3.77	3.11
TOTAL FACTORY PAYROLL	46.54	39.39
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.65	0.38
Depreciation - other	5.17	4.25
Taxes - real estate	0.35	0.20
Taxes - other	0.36	0.48
Insurance	0.57	0.69
Building rent	1.14	1.68
Utilities - heat, light, etc.	2.21	1.61
Equipment rental	0.92	0.94
Total Fixed Expenses	11.37	10.23
Other Expenses		
Factory supplies and expense	3.91	2.38
Packing, shipping and delivery expense	2.07	2.51
Repairs and maintenance	2.72	2.60
Other factory expenses	0.92	0.31
Total Other Expenses	9.62	7.80
TOTAL FACTORY EXPENSES	20.99	18.03
ADMINISTRATIVE EXPENSES		
Salaries - executive	3.72	3.25
Salaries - office	2.98	2.32
Payroll taxes	0.34	0.29
Employee benefits	0.66	0.71
Bad debts	1.37	1.25
Office supplies and expenses	0.47	0.54
Professional fees	0.79	0.87
Taxes - business	0.13	0.18
Telephone	0.72	0.62
Other administrative expenses	2.03	1.43
TOTAL ADMINISTRATIVE EXPENSES	13.21	11.46
SELLING EXPENSES		
Salaries - executive	1.70	2.99
Salaries and commissions - salesmen	7.77	5.85
Salaries - sales office clerical	1.33	1.00
Payroll taxes	0.46	0.35
Employee benefits	0.63	0.87
Advertising	0.53	0.47
Travel and entertainment	1.59	1.31
Other selling expenses	1.11	1.01
TOTAL SELLING EXPENSES	15.12	13.85

41% TO 61%		61% TO 81%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.45%	2.63%	3.01%	1.74%
29.30	25.78	31.11	24.16
3.98	7.55	3.36	2.26
1.14	0.87	1.71	1.21
2.58	2.67	2.63	1.90
3.15	2.65	4.30	3.63
42.60	42.15	46.12	34.90
0.36	0.39	0.47	0.45
5.34	5.40	6.32	5.33
0.41	0.51	0.45	0.36
0.36	0.28	0.45	0.26
0.80	0.88	0.50	0.71
2.01	1.12	1.74	1.43
2.10	2.41	2.18	0.89
0.91	1.22	0.15	0.19
12.29	12.21	12.26	9.62
3.43	3.72	3.56	2.54
2.36	1.10	1.50	1.43
2.89	2.66	2.41	2.57
1.36	0.84	1.07	0.51
10.04	8.32	8.54	7.05
22.33	20.53	20.80	16.67
3.38	2.56	4.59	9.83
2.96	1.71	2.76	2.74
0.39	0.41	0.43	0.70
1.26	0.66	0.94	2.69
0.77	0.66	0.88	0.21
0.52	0.38	0.58	0.62
0.94	0.72	0.76	0.69
0.19	0.21	0.16	0.19
0.80	0.85	0.91	1.04
1.95	1.48	1.91	2.05
13.16	9.64	13.92	20.76
2.00	1.61	1.48	0.80
6.92	5.36	6.35	8.03
0.81	0.21	1.16	0.69
0.44	0.33	0.38	0.16
0.48	0.36	0.55	0.25
0.38	0.23	0.45	0.37
1.38	1.17	1.23	0.67
0.90	0.40	1.30	0.53
13.31	9.67	12.90	11.50

REPORT ON OPERATIONS - SALES = 100%

	21% TO 41%	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIAL		
Paper	25.90	23.63
Other chargeable materials	5.51	6.53
Outside services	8.11	6.06
TOTAL MATERIAL	39.52	36.22
FACTORY PAYROLL	28.37	25.81
FACTORY EXPENSES	12.58	11.18
TOTAL FACTORY COST OF PRODUCT	80.47	73.21
GROSS PROFIT	19.53	26.79
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	7.88	7.07
Selling expenses	9.06	8.88
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	16.94	15.95
INCOME BEFORE INTEREST EXPENSE	2.59	10.84
Interest expense	2.50	1.59
OPERATING INCOME	0.09	9.25
Other income	0.77	0.00
INCOME BEFORE INCOME TAXES	0.86	9.25

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS		
Ink	2.00%	1.96%
Film	1.01	1.48
Plates	1.38	2.21
Other chargeable materials	1.12	0.88
TOTAL OTHER CHARGEABLE MATERIALS	5.51	6.53
OUTSIDE SERVICES		
Composition	0.92	0.90
Offset preparation	2.17	1.68
Printing	1.51	2.43
Binding	1.64	1.05
Other outside services	1.87	0.00
TOTAL OUTSIDE SERVICES	8.11	6.06

41% TO 61%		61% TO 81%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%
24.82	21.26	28.69	20.71
5.72	6.58	5.17	3.42
8.51	7.84	6.98	11.66
39.05	35.68	40.84	35.79
25.97	27.32	27.34	22.81
13.57	13.00	12.09	10.85
78.59	76.00	80.27	69.45
21.41	24.00	19.73	30.55
8.05	6.26	8.22	12.81
8.04	6.15	7.64	7.26
16.09	12.41	15.86	20.07
5.32	11.59	3.87	10.48
2.72	1.94	3.02	1.52
2.60	9.65	0.85	8.96
0.91	1.70	1.23	1.83
3.51	11.35	2.08	10.79

3.11%	4.59%	2.21%	0.56%
0.98	0.38	1.03	0.96
1.33	1.61	1.12	0.72
0.30	0.00	0.81	1.18
5.72	6.58	5.17	3.42
0.85	0.13	0.43	1.09
1.29	0.04	1.26	0.31
1.29	0.18	2.53	9.39
4.10	6.92	1.26	0.47
0.98	0.57	1.50	0.40
8.51	7.84	6.98	11.66

SUPPORTING SCHEDULES - SALES = 100%

	21% TO 41%	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	1.58%	1.27%
Direct wages	19.07	18.82
General factory salaries and wages	2.79	1.40
Packing, shipping and delivery wages	0.99	0.70
Payroll taxes	1.59	1.50
Employee benefits	2.35	2.12
TOTAL FACTORY PAYROLL	28.37	25.81
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.39	0.27
Depreciation - other	3.05	2.52
Taxes - real estate	0.20	0.12
Taxes - other	0.22	0.33
Insurance	0.35	0.45
Building rent	0.68	1.02
Utilities - heat, light, etc.	1.33	1.04
Equipment rental	0.59	0.66
Total Fixed Expenses	6.81	6.41
Other Expenses		
Factory supplies and expense	2.34	1.55
Packing, shipping and delivery expense	1.23	1.43
Repairs and maintenance	1.63	1.59
Other factory expenses	0.57	0.20
Total Other Expenses	5.77	4.77
TOTAL FACTORY EXPENSES	12.58	11.18
ADMINISTRATIVE EXPENSES		
Salaries - executive	2.18	1.94
Salaries - office	1.79	1.44
Payroll taxes	0.21	0.18
Employee benefits	0.40	0.44
Bad debts	0.80	0.73
Office supplies and expenses	0.29	0.35
Professional fees	0.48	0.58
Taxes - business	0.08	0.12
Telephone	0.43	0.39
Other administrative expenses	1.22	0.90
TOTAL ADMINISTRATIVE EXPENSES	7.88	7.07
SELLING EXPENSES		
Salaries - executive	1.06	2.05
Salaries and commissions - salesmen	4.61	3.49
Salaries - sales office clerical	0.79	0.71
Payroll taxes	0.28	0.23
Employee benefits	0.40	0.63
Advertising	0.32	0.31
Travel and entertainment	0.92	0.76
Other selling expenses	0.68	0.70
TOTAL SELLING EXPENSES	9.06	8.88

41% TO 61%		61% TO 81%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.52%	1.67%	1.75%	1.18%
17.63	15.93	18.48	15.71
2.64	5.69	1.96	1.61
0.69	0.54	1.01	0.78
1.58	1.73	1.59	1.26
1.91	1.76	2.55	2.27
25.97	27.32	27.34	22.81
0.22	0.23	0.28	0.29
3.25	3.44	3.59	3.47
0.24	0.31	0.24	0.21
0.21	0.18	0.27	0.18
0.48	0.55	0.30	0.44
1.24	0.78	1.01	0.95
1.25	1.48	1.25	0.56
0.56	0.75	0.09	0.13
7.45	7.72	7.03	6.23
2.06	2.31	2.11	1.64
1.53	0.69	0.93	0.90
1.70	1.67	1.40	1.71
0.83	0.61	0.62	0.37
6.12	5.28	5.06	4.62
13.57	13.00	12.09	10.85
2.06	1.70	2.65	5.94
1.83	1.10	1.64	1.64
0.24	0.26	0.27	0.43
0.73	0.43	0.56	1.58
0.45	0.41	0.52	0.13
0.32	0.24	0.35	0.40
0.59	0.48	0.45	0.42
0.12	0.13	0.09	0.11
0.52	0.55	0.55	0.71
1.19	0.96	1.14	1.45
8.05	6.26	8.22	12.81
1.20	1.03	0.88	0.49
4.16	3.39	3.70	5.10
0.47	0.13	0.73	0.42
0.26	0.20	0.24	0.10
0.29	0.22	0.34	0.15
0.25	0.18	0.26	0.23
0.87	0.73	0.71	0.44
0.54	0.27	0.78	0.33
8.04	6.15	7.64	7.26

BALANCE SHEET

	21% TO 41%	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	4.29%	9.48%
Receivables	31.34	29.03
Inventories	11.95	11.57
Other current assets	(1.51)	7.21
TOTAL CURRENT ASSETS	46.07	57.29
FIXED ASSETS		
Real estate	19.77	6.99
Less: Accumulated depreciation	4.15	1.86
	15.62	5.13
Machinery and equipment	60.59	52.74
Less: Accumulated depreciation	29.82	23.81
	30.77	28.93
Other fixed assets	4.60	5.65
Less: Accumulated depreciation	2.43	3.26
	2.17	2.39
NET FIXED ASSETS	48.56	36.45
OTHER ASSETS	5.37	6.26
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	8.43	6.12
Accounts payable	13.05	8.92
Other current liabilities	7.93	10.86
TOTAL CURRENT LIABILITIES	29.41	25.90
LONG-TERM LIABILITIES	28.93	14.78
TOTAL LIABILITIES	58.34	40.68
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.66	59.32
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.57	2.21
QUICK RATIO	1.16	1.77
TOTAL LIABILITIES TO EQUITY	1.40	0.69
LONG-TERM LIABILITIES TO EQUITY	0.69	0.25
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.49	0.45

41% TO 61%		61% TO 81%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
5.59%	10.01%	6.00%	19.77%
30.63	30.31	31.65	32.94
15.45	12.67	12.60	8.29
5.33	10.39	2.07	3.16
57.00	63.38	52.32	64.16
9.54	9.32	13.74	11.16
1.62	2.25	4.09	2.99
7.92	7.07	9.65	8.17
58.53	50.34	62.96	48.92
28.96	25.55	30.50	25.08
29.57	24.79	32.46	23.84
4.88	4.41	4.01	3.58
2.41	2.61	1.94	1.23
2.47	1.80	2.07	2.35
39.96	33.66	44.18	34.36
3.04	2.96	3.50	1.48
100.00	100.00	100.00	100.00
8.05	3.40	11.38	12.37
15.24	6.75	13.23	10.86
9.69	9.79	7.36	7.87
32.98	19.94	31.97	31.10
29.69	31.09	25.02	9.05
62.67	51.03	56.99	40.15
37.33	48.97	43.01	59.85
100.00	100.00	100.00	100.00

1.73	3.18	1.64	2.06
1.26	2.54	1.24	1.80
1.68	1.04	1.33	0.67
0.80	0.63	0.58	0.15
0.49	0.51	0.48	0.51

SIGNIFICANT FACTS

	21% TO 41%	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 40,007	$ 43,270
Average assets per factory employee (Excluding Executives)	52,269	54,461
Average net worth per employee - All employees	16,212	24,091
Average gross plant investment per factory employee (Excluding Executives)	42,320	34,861
Net worth percentage of fixed assets	107.73%	184.09%
EMPLOYEES		
Percent factory - All employees	79.36%	81.65%
Percent administrative - All employees	9.45	9.37
Percent sales - All employees	11.19	8.98
SALES - VALUE OF PRODUCT PRODUCED		
INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 72,582	$ 81,473
Sales per factory employee	91,959	100,076
Sales less material per factory employee	55,021	63,258
Sales per administrative employee	911,103	1,019,660
EXCLUDING EXECUTIVES		
Sales per employee - All employees	77,655	86,927
Sales per factory employee	95,339	102,588
Sales less material per factory employee	57,041	64,665
SALES PER SALESMAN	748,576	714,749
SALES TO CURRENT ASSETS	347%	373%
PAYROLL - INCLUDING TAXES AND BENEFITS		
INCLUDING EXECUTIVES		
Total payroll percentage of sales	40.07%	36.91%
Factory payroll percentage of gross plant investment	69.20	85.65
Payroll per employee - All employees	$ 28,448	$ 29,818
Payroll per factory employee	25,218	25,319
Payroll per administrative employee	34,348	35,131
Payroll per sales employee	49,045	67,157
PAYROLL - EXCLUDING TAXES AND BENEFITS		
EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 22,939	$ 22,802
Payroll per factory employee	21,185	20,933
Payroll per administrative employee	18,126	17,128
Payroll per sales employee	41,002	51,027
EXECUTIVE PAYROLL		
Payroll per executive - All executives	57,017	78,109
Payroll per factory executive	43,451	65,842
Payroll per administrative executive	63,704	66,421
Payroll per sales executive	59,369	87,995
RECEIVABLES		
Collection period	63.6	57.3
PROFIT		
Gross profit percentage of sales	19.53%	26.79%
Average gross profit per factory employee	$ 19,055	$ 27,489
Income before taxes percentage of sales	0.86%	9.25%
Average income before taxes per employee	$ 1,158	$ 7,539

41% TO 61%		61% TO 81%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 44,173	$ 59,391	$ 48,699	$ 50,717
59,043	74,077	65,465	72,831
17,673	29,395	20,454	34,411
42,644	49,456	49,352	39,207
105.61%	151.37%	195.57%	526.33%
79.00%	85.11%	79.02%	75.35%
10.74	8.19	10.45	13.83
10.26	6.70	10.53	10.82
$ 76,970	$ 84,706	$ 79,813	$ 91,184
98,462	99,606	102,938	129,977
59,026	63,937	59,099	79,752
953,217	1,574,481	914,425	756,253
83,574	93,098	86,790	99,318
102,818	105,245	107,989	132,876
61,733	67,493	61,997	81,633
773,839	1,373,232	743,535	415,700
345%	229%	370%	361%
37.21%	35.80%	38.34%	38.65%
81.19	74.54	68.25	79.75
$ 28,028	$ 30,199	$ 29,374	$ 35,365
24,532	27,121	25,728	25,243
36,720	42,473	37,646	65,191
51,296	73,002	41,689	49,038
$ 22,144	$ 24,643	$ 22,459	$ 23,240
20,578	23,086	21,183	20,585
16,692	19,184	16,467	16,520
39,496	53,908	33,981	43,769
49,014	45,114	58,213	109,624
27,814	29,195	34,063	29,005
63,848	65,086	69,951	110,370
57,596	81,826	42,235	20,989
63.5	80.1	69.6	65.8
21.41%	24.00%	19.73%	30.55%
$ 22,473	$ 25,136	$ 22,488	$ 43,314
3.51%	11.35%	2.08%	10.79%
$ 2,930	$ 9,687	$ 2,017	$ 9,919

RETURN ON INVESTMENT - PER $100 OF SALES

	21% TO 41%	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 1.94	$ 3.47
Receivables	16.68	15.54
Inventories	6.58	6.00
Marketable securities	(1.53)	0.00
Other current assets	2.08	4.42
	25.75	29.43
Plant Investment:		
Land and building	10.55	4.12
Machinery and equipment	32.71	26.36
Other fixed assets	2.43	2.81
	45.69	33.29
Non-Current Assets	2.94	3.02
TOTAL INVESTMENT	74.38	65.74
INVESTMENT TURNOVER PER $100 OF SALES	134.44%	152.11%
EARNINGS		
Cost of Product	$80.47	$73.21
Selling Expenses	9.06	8.88
Administrative Expenses	7.88	7.07
	97.41	89.16
Income Before Interest, Other Income, and Taxes	2.59	10.84
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	3.48%	16.49%

41% TO 61%		61% TO 81%	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 3.20	$ 7.46	$ 3.54	$12.82
16.66	20.99	18.29	17.35
8.33	8.95	6.78	4.27
1.77	3.75	0.38	0.71
1.52	3.24	0.75	1.13
31.48	44.39	29.74	36.28
6.20	7.12	8.87	6.85
32.18	36.01	36.84	24.28
2.58	3.36	2.01	1.73
40.96	46.49	47.72	32.86
1.55	1.88	1.98	0.68
73.99	92.76	79.44	69.82
135.15%	107.81%	125.88%	143.23%
$78.59	$76.00	$80.27	$69.45
8.04	6.15	7.64	7.26
8.05	6.26	8.22	12.81
94.68	88.41	96.13	89.52
5.32	11.59	3.87	10.48
7.19%	12.50%	4.87%	15.01%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	81	$ 4,809,000	$ 8,265,000	$ 209,000
TOTAL - PROFIT LEADERS*	15	5,165,000	8,143,000	883,000
BY SIZE OF FIRM				
ALL FIRMS				
$0-$1,500,000	6	455,000	1,073,000	(6,000)
$1,500,000-$5,000,000	30	1,926,000	3,501,000	78,000
$5,000,000-$10,000,000	22	4,866,000	7,780,000	210,000
$10,000,000-$20,000,000	20	8,182,000	14,203,000	171,000
Over $20,000,000	3	19,455,000	34,261,000	2,196,000
PROFIT LEADERS				
$1,500,000-$5,000,000	5	1,350,000	2,559,000	274,000
$5,000,000-$10,000,000	6	4,937,000	7,557,000	745,000
$10,000,000-$20,000,000	2	9,756,000	14,494,000	1,764,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	59	5,510,000	9,310,000	216,000
Newspaper	4	1,452,000	2,629,000	161,000
Financial	4	2,073,000	4,202,000	378,000
Book	3	4,679,000	8,298,000	244,000
PROFIT LEADERS				
Commercial and Advertising	8	6,988,000	11,340,000	1,226,000
Financial	3	2,273,000	4,101,000	429,000
BY PERCENTAGE OF WEB SALES				
ALL FIRMS				
21% To 41%	28	4,662,000	8,004,000	94,000
41% To 61%	28	4,514,000	7,691,000	357,000
61% To 81%	25	5,305,000	9,200,000	172,000
PROFIT LEADERS				
21% To 41%	5	3,711,000	6,533,000	617,000
41% To 61%	6	8,859,000	13,048,000	1,495,000
61% To 81%	4	1,441,000	2,795,000	296,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of its size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages.

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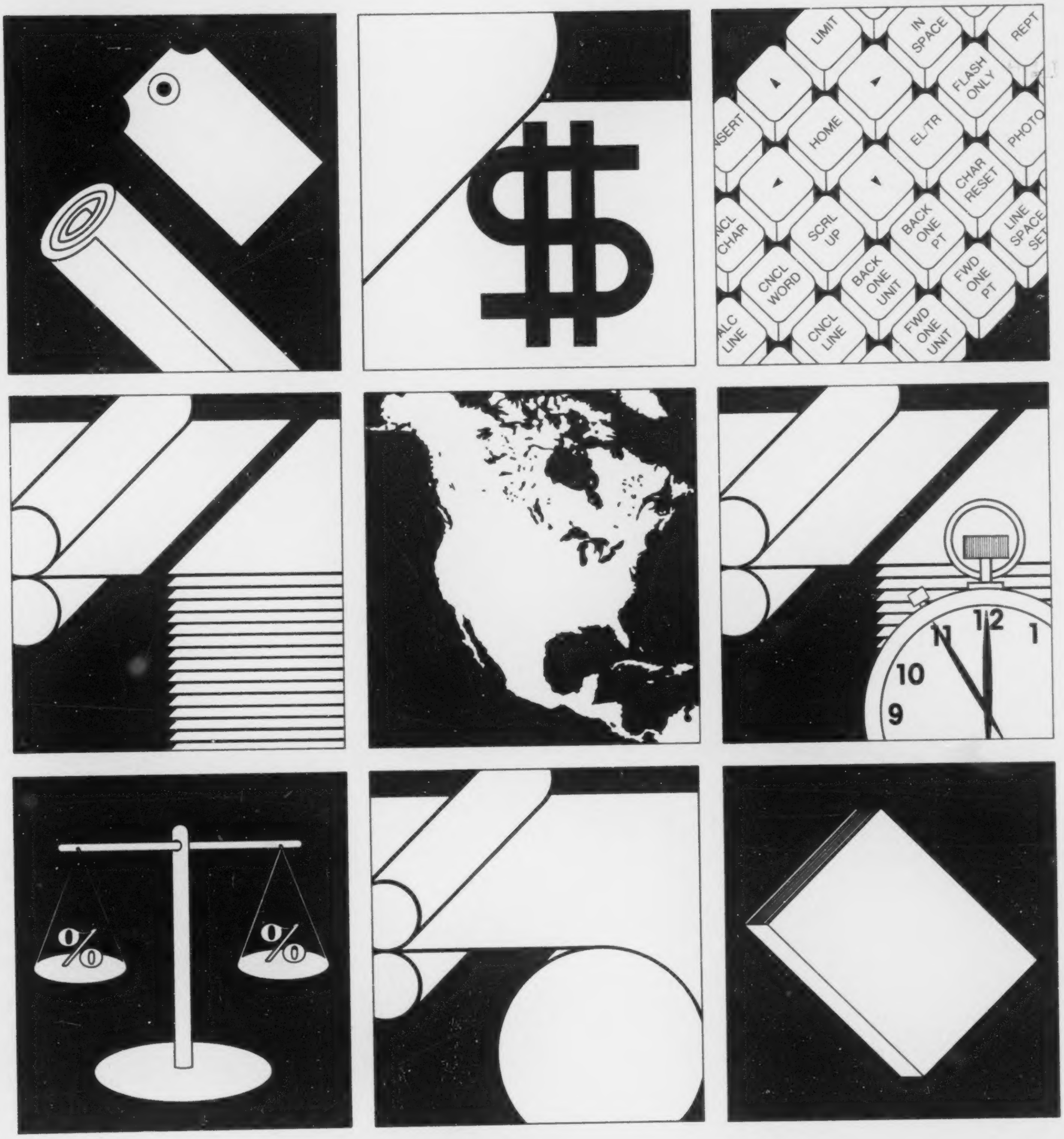
1983 Financial Ratios

Printing
Industries of
America, Inc.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Volume IX

Book Manufacturers' Ratios

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management
  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

BOOK MANUFACTURERS

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PRINTING INDUSTRIES OF AMERICA, INC.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

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Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1983 PIA FINANCIAL RATIOS FOR BOOK MANUFACTURERS. This Ratio Study was developed on the basis of questionnaires volunteered by 31 firms and presents the ratios and statistics of Book Manufacturers by sales volume, product specialty and process specialty.

Thus the user of the report can direct himself to the standards for his sales size - for example, sales from $1.5 to $5 million, $5 million to $10 million etc.; product specialty - for example, printing and binding, printing only or other book manufacturers; and process specialty - for example, sheet-fed offset or web-fed offset. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

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1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Jim Olsen
Vice-President
Management Services
Printing Industries of America, Inc.
1730 North Lynn Street
Arlington, VA 22209 — (703) 841-8139

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VALUE ADDED -- WHAT IT MEANS TO YOU

VALUE ADDED DEFINED

Value added is simply your sales less material costs, which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$ 23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services -- composition, offset preparation, printing, bindery, etc.

KNOWN BY OTHER TERMS

Value added is also known by such other terms as inside sales, conversion value, inside manufacturing value and real contribution to overhead and profit. Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

CONCEPTUAL UNDERSTANDING OF VALUE ADDED

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry.

Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the value added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

STATEMENT OF OPERATIONS -- VALUE ADDED: THE BETTER STATEMENT

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS*
SALES OR VALUE OF PRODUCT PRODUCED	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%
FACTORY PAYROLL	45.28	38.58
FACTORY EXPENSES	19.96	19.04
TOTAL FACTORY COST OF PRODUCT	65.24	57.62
GROSS PROFIT	34.76	42.38
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	13.68	12.48
Selling expenses	11.04	10.18
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	24.72	22.66
INCOME BEFORE INTEREST EXPENSE	10.04	19.72
Interest expense	3.43	1.06
OPERATING INCOME	6.61	18.66
Other income	2.08	2.36
INCOME BEFORE INCOME TAXES	8.69	21.02

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* See Page 10 for the definition of "Profit Leaders".

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X
X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
46.78	30.09	43.59	35.01	46.40	43.39
19.89	22.51	20.84	19.42	19.55	17.51
66.67	52.60	64.43	54.43	65.95	60.90
33.33	47.40	35.57	45.57	34.05	39.10
13.14	11.72	14.16	17.58	12.38	10.74
10.53	5.58	11.53	12.79	10.67	10.99
23.67	17.30	25.69	30.37	23.05	21.73
9.66	30.10	9.88	15.20	11.00	17.37
3.49	0.83	5.30	2.12	1.48	0.72
6.17	29.27	4.58	13.08	9.52	16.65
2.16	1.66	1.62	2.69	2.29	2.51
8.33	30.93	6.20	15.77	11.81	19.16

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	3.54%	4.32%
Direct wages	30.43	22.92
General factory salaries and wages	3.77	3.58
Packing, shipping and delivery wages	1.46	1.55
Payroll taxes	2.47	2.31
Employee benefits	3.61	3.90
TOTAL FACTORY PAYROLL	45.28	38.58
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.62	0.42
Depreciation - other	3.94	4.17
Taxes - real estate	0.42	0.36
Taxes - other	0.29	0.37
Insurance	0.63	0.73
Building rent	1.43	1.39
Utilities - heat, light, etc.	1.81	1.97
Equipment rental	0.44	0.55
Total Fixed Expenses	9.58	9.96
Other Expenses		
Factory supplies and expense	3.78	4.18
Packing, shipping and delivery expense	1.64	1.61
Repairs and maintenance	2.84	2.15
Other factory expenses	2.12	1.14
Total Other Expenses	10.38	9.08
TOTAL FACTORY EXPENSES	19.96	19.04
ADMINISTRATIVE EXPENSES		
Salaries - executive	3.79	3.71
Salaries - office	3.36	2.44
Payroll taxes	0.45	0.44
Employee benefits	0.70	0.52
Bad debts	0.86	1.43
Office supplies and expenses	0.81	0.53
Professional fees	0.73	0.58
Taxes - business	0.33	0.39
Telephone	0.77	0.76
Other administrative expenses	1.88	1.68
TOTAL ADMINISTRATIVE EXPENSES	13.68	12.48
SELLING EXPENSES		
Salaries - executive	1.30	1.51
Salaries and commissions - salesmen	4.28	3.52
Salaries - sales office clerical	1.95	1.49
Payroll taxes	0.36	0.38
Employee benefits	0.48	0.41
Advertising	0.48	0.88
Travel and entertainment	1.17	1.01
Other selling expenses	1.02	0.98
TOTAL SELLING EXPENSES	11.04	10.18

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.05%	4.88%	3.11%	2.52%	4.36%	4.82%
33.51	19.19	29.87	23.49	28.04	24.17
3.72	0.77	3.47	2.38	4.56	5.18
1.15	0.65	1.52	1.73	1.59	1.84
2.36	1.62	2.48	2.17	2.88	2.64
2.99	2.98	3.14	2.72	4.97	4.74
46.78	30.09	43.59	35.01	46.40	43.39
0.53	0.00	0.76	0.31	0.63	0.64
4.48	4.17	3.63	5.52	3.65	3.63
0.54	0.02	0.36	0.28	0.39	0.52
0.24	0.12	0.17	0.14	0.50	0.56
0.75	1.97	0.55	0.57	0.63	0.30
1.81	3.64	1.65	1.41	0.53	0.48
1.75	1.54	1.82	1.78	2.01	2.21
0.60	2.33	0.26	0.00	0.49	0.06
10.70	13.79	9.20	10.01	8.83	8.40
3.82	4.78	3.78	4.46	4.08	3.84
1.60	2.24	1.43	1.38	1.73	1.45
2.86	1.09	2.65	3.11	2.93	2.19
0.91	0.61	3.78	0.46	1.98	1.63
9.19	8.72	11.64	9.41	10.72	9.11
19.89	22.51	20.84	19.42	19.55	17.51
4.60	5.87	3.73	5.87	2.02	2.00
3.31	1.33	2.86	2.51	3.66	2.86
0.44	0.50	0.59	0.71	0.37	0.30
0.66	0.49	0.69	0.64	0.78	0.49
0.27	0.00	1.49	2.50	0.97	1.57
1.33	0.59	0.55	0.64	0.44	0.45
0.63	0.63	0.65	0.57	0.70	0.57
0.12	0.23	0.44	0.36	0.46	0.46
0.78	0.65	0.89	1.65	0.54	0.45
1.00	1.43	2.27	2.13	2.44	1.59
13.14	11.72	14.16	17.58	12.38	10.74
1.45	2.95	1.56	1.17	0.97	1.08
4.52	0.00	4.46	6.97	3.46	3.55
1.54	0.00	2.15	0.48	2.44	2.50
0.32	0.24	0.43	0.59	0.39	0.35
0.32	0.00	0.48	0.35	0.65	0.61
0.57	2.02	0.34	0.98	0.24	0.38
1.20	0.00	1.23	1.94	1.14	1.03
0.61	0.37	0.88	0.31	1.38	1.49
10.53	5.58	11.53	12.79	10.67	10.99

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS*
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIAL		
Paper	24.79	22.31
Other chargeable materials	6.38	8.15
Outside services	6.31	3.80
TOTAL MATERIAL	37.48	34.26
FACTORY PAYROLL	28.27	25.40
FACTORY EXPENSES	12.42	12.51
TOTAL FACTORY COST OF PRODUCT	78.17	72.17
GROSS PROFIT	21.83	27.83
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	8.63	8.13
Selling expenses	6.85	6.61
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	15.48	14.74
INCOME BEFORE INTEREST EXPENSE	6.35	13.09
Interest expense	2.04	0.67
OPERATING INCOME	4.31	12.42
Other income	1.30	1.57
INCOME BEFORE INCOME TAXES	5.61	13.99

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS		
Ink	1.02%	0.71%
Film	1.43	2.29
Plates	1.67	2.30
Other chargeable materials	2.26	2.85
TOTAL OTHER CHARGEABLE MATERIALS	6.38	8.15
OUTSIDE SERVICES		
Composition	0.67	0.11
Offset preparation	1.35	0.11
Printing	0.83	0.12
Binding	2.69	3.24
Other outside services	0.77	0.22
TOTAL OUTSIDE SERVICES	6.31	3.80

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
*** Information not submitted.

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
21.58	16.73	28.02	30.91	25.65	21.09
6.76	7.00	5.42	4.66	7.33	10.00
8.31	7.33	6.08	4.22	4.10	2.23
36.65	31.06	39.52	39.79	37.08	33.32
29.41	20.90	26.62	21.01	29.07	28.96
12.56	15.57	12.71	11.73	12.10	11.60
78.62	67.53	78.85	72.53	78.25	73.88
21.38	32.47	21.15	27.47	21.75	26.12
8.45	8.19	8.60	10.56	7.75	7.14
6.54	3.71	6.95	7.71	6.70	7.33
14.99	11.90	15.55	18.27	14.45	14.47
6.39	20.57	5.60	9.20	7.30	11.65
2.14	0.55	3.10	1.31	0.87	0.46
4.25	20.02	2.50	7.89	6.43	11.19
1.32	1.18	0.98	1.61	1.47	1.71
5.57	21.20	3.48	9.50	7.90	12.90

1.13%	0.92%	1.41%	1.13%	0.32%	0.33%
1.01	2.39	1.13	0.95	2.29	2.74
1.82	3.49	1.51	1.63	1.88	1.78
2.80	0.20	1.37	0.95	2.84	5.15
6.76	7.00	5.42	4.66	7.33	10.00
0.93	0.17	0.38		0.24	0.20
2.95	0.24	0.27		0.12	0.00
1.11	0.00	0.57		0.48	0.64
2.95	6.89	2.68		2.75	0.24
0.37	0.03	2.18		0.51	1.15
8.31	7.33	6.08	***	4.10	2.23

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	2.22%	2.84%
Direct wages	19.00	15.08
General factory salaries and wages	2.34	2.39
Packing, shipping and delivery wages	0.91	1.01
Payroll taxes	1.55	1.51
Employee benefits	2.25	2.57
TOTAL FACTORY PAYROLL	28.27	25.40
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.40	0.28
Depreciation - other	2.42	2.71
Taxes - real estate	0.26	0.24
Taxes - other	0.18	0.25
Insurance	0.39	0.48
Building rent	0.89	0.90
Utilities - heat, light, etc.	1.14	1.28
Equipment rental	0.29	0.39
Total Fixed Expenses	5.97	6.53
Other Expenses		
Factory supplies and expense	2.36	2.74
Packing, shipping and delivery expense	1.05	1.07
Repairs and maintenance	1.74	1.41
Other factory expenses	1.30	0.76
Total Other Expenses	6.45	5.98
TOTAL FACTORY EXPENSES	12.42	12.51
ADMINISTRATIVE EXPENSES		
Salaries - executive	2.44	2.43
Salaries - office	2.11	1.60
Payroll taxes	0.29	0.28
Employee benefits	0.44	0.34
Bad debts	0.53	0.93
Office supplies and expenses	0.50	0.34
Professional fees	0.46	0.38
Taxes - business	0.21	0.25
Telephone	0.48	0.48
Other administrative expenses	1.17	1.10
TOTAL ADMINISTRATIVE EXPENSES	8.63	8.13
SELLING EXPENSES		
Salaries - executive	0.79	0.98
Salaries and commissions - salesmen	2.66	2.28
Salaries - sales office clerical	1.20	0.98
Payroll taxes	0.22	0.24
Employee benefits	0.30	0.27
Advertising	0.31	0.57
Travel and entertainment	0.73	0.65
Other selling expenses	0.64	0.64
TOTAL SELLING EXPENSES	6.85	6.61

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.94%	3.34%	1.92%	1.51%	2.71%	3.17%
21.04	13.36	18.27	14.16	17.53	16.14
2.29	0.55	2.12	1.41	2.90	3.51
0.70	0.46	0.94	1.03	1.00	1.22
1.50	1.13	1.55	1.30	1.80	1.75
1.94	2.06	1.82	1.60	3.13	3.17
29.41	20.90	26.62	21.01	29.07	28.96
0.37	0.00	0.47	0.19	0.39	0.43
2.77	2.80	2.14	3.36	2.30	2.41
0.33	0.02	0.20	0.17	0.25	0.35
0.14	0.09	0.10	0.08	0.31	0.37
0.48	1.33	0.33	0.34	0.38	0.20
1.11	2.46	1.03	0.83	0.32	0.31
1.12	1.05	1.13	1.08	1.26	1.46
0.41	1.66	0.20	0.00	0.28	0.04
6.73	9.41	5.60	6.05	5.49	5.57
2.50	3.38	2.31	2.68	2.50	2.51
1.01	1.58	0.95	0.83	1.06	0.97
1.75	0.77	1.59	1.90	1.79	1.47
0.57	0.43	2.26	0.27	1.26	1.08
5.83	6.16	7.11	5.68	6.61	6.03
12.56	15.57	12.71	11.73	12.10	11.60
3.04	4.13	2.28	3.48	1.25	1.32
2.08	0.93	1.74	1.50	2.28	1.90
0.29	0.34	0.37	0.43	0.23	0.20
0.43	0.34	0.41	0.38	0.49	0.33
0.17	0.00	0.88	1.52	0.65	1.07
0.82	0.39	0.34	0.39	0.28	0.30
0.40	0.43	0.39	0.34	0.43	0.38
0.08	0.17	0.28	0.22	0.29	0.30
0.49	0.44	0.54	1.00	0.33	0.30
0.65	1.02	1.37	1.30	1.52	1.04
8.45	8.19	8.60	10.56	7.75	7.14
0.92	1.95	0.90	0.71	0.60	0.70
2.82	0.00	2.67	4.21	2.18	2.40
0.90	0.00	1.35	0.29	1.52	1.65
0.19	0.16	0.27	0.36	0.24	0.23
0.21	0.00	0.28	0.21	0.41	0.41
0.37	1.35	0.20	0.58	0.16	0.26
0.74	0.00	0.76	1.17	0.72	0.70
0.39	0.25	0.52	0.18	0.87	0.98
6.54	3.71	6.95	7.71	6.70	7.33

BALANCE SHEET

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	2.73%	4.49%
Receivables	36.56	35.77
Inventories	15.43	12.93
Other current assets	3.09	4.70
TOTAL CURRENT ASSETS	57.81	57.89
FIXED ASSETS		
Real estate	14.21	15.28
Less: Accumulated depreciation	4.36	4.84
	9.85	10.44
Machinery and equipment	59.93	42.66
Less: Accumulated depreciation	34.88	23.52
	25.05	19.14
Other fixed assets	6.85	9.08
Less: Accumulated depreciation	3.09	2.03
	3.76	7.05
NET FIXED ASSETS	38.66	36.63
OTHER ASSETS	3.53	5.48
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	9.50	2.20
Accounts payable	15.94	8.36
Other current liabilities	11.02	11.38
TOTAL CURRENT LIABILITIES	36.46	21.94
LONG-TERM LIABILITIES	27.07	15.32
TOTAL LIABILITIES	63.53	37.26
SHAREHOLDERS' AND PROPRIETORS' EQUITY	36.47	62.74
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.59	2.64
QUICK RATIO	1.16	2.05
TOTAL LIABILITIES TO EQUITY	1.74	0.59
LONG-TERM LIABILITIES TO EQUITY	0.74	0.24
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.58	0.55

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.87%	7.64%	2.59%	8.97%	1.97%	1.44%
37.13	34.64	36.83	36.97	35.33	35.73
16.95	12.59	16.61	17.39	13.55	11.28
3.38	7.68	0.75	0.55	3.41	5.17
61.33	62.55	56.78	63.88	54.26	53.62
9.54	0.00	11.26	6.17	24.77	25.03
4.30	0.00	2.40	1.16	7.08	8.24
5.24	0.00	8.86	5.01	17.69	16.79
70.93	16.93	56.75	60.09	47.68	45.99
45.80	5.23	27.82	33.93	27.49	26.67
25.13	11.70	28.93	26.16	20.19	19.32
9.03	25.70	7.10	9.69	2.46	2.18
2.80	1.59	3.87	5.19	1.35	0.94
6.23	24.11	3.23	4.50	1.11	1.24
36.60	35.81	41.02	35.67	38.99	37.35
2.07	1.64	2.20	0.45	6.75	9.03
100.00	100.00	100.00	100.00	100.00	100.00
11.68	1.26	11.06	1.35	4.86	2.92
16.41	7.83	15.43	10.65	14.77	7.65
13.13	15.18	10.62	8.71	9.38	10.93
41.22	24.27	37.11	20.71	29.01	21.50
31.53	15.38	30.92	17.64	17.40	14.36
72.75	39.65	68.03	38.35	46.41	35.86
27.25	60.35	31.97	61.65	53.59	64.14
100.00	100.00	100.00	100.00	100.00	100.00

1.49	2.58	1.53	3.08	1.87	2.49
1.08	2.06	1.08	2.24	1.40	1.97
2.67	0.66	2.13	0.62	0.87	0.56
1.16	0.25	0.97	0.29	0.32	0.22
0.65	0.31	0.49	0.56	0.58	0.58

SIGNIFICANT FACTS

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 31,649	$ 42,727
Average assets per factory employee (Excluding Executives)	41,760	55,801
Average net worth per employee - All employees	12,546	25,660
Average gross plant investment per factory employee (Excluding Executives)	32,543	39,863
Net worth percentage of fixed assets	127.86%	257.16%
EMPLOYEES		
Percent factory - All employees	80.03%	82.30%
Percent administrative - All employees	11.11	9.19
Percent sales - All employees	8.86	8.51
SALES - VALUE OF PRODUCT PRODUCED		
INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 60,089	$ 68,778
Sales per factory employee	75,350	84,002
Sales less material per factory employee	46,373	54,868
Sales per administrative employee	646,852	750,338
EXCLUDING EXECUTIVES		
Sales per employee - All employees	65,659	75,930
Sales per factory employee	79,629	89,402
Sales less material per factory employee	49,003	58,365
SALES PER SALESMAN	1,140,157	1,130,735
SALES TO CURRENT ASSETS	378%	318%
PAYROLL - INCLUDING TAXES AND BENEFITS		
INCLUDING EXECUTIVES		
Total payroll percentage of sales	38.72%	34.80%
Factory payroll percentage of gross plant investment	97.88	137.27
Payroll per employee - All employees	$ 22,273	$ 22,862
Payroll per factory employee	20,376	20,098
Payroll per administrative employee	28,669	32,711
Payroll per sales employee	36,243	38,944
PAYROLL - EXCLUDING TAXES AND BENEFITS		
EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 17,460	$ 16,391
Payroll per factory employee	16,754	15,467
Payroll per administrative employee	15,199	15,001
Payroll per sales employee	27,468	23,146
EXECUTIVE PAYROLL		
Payroll per executive - All executives	40,683	51,143
Payroll per factory executive	32,745	45,091
Payroll per administrative executive	48,681	63,978
Payroll per sales executive	40,196	51,108
RECEIVABLES		
Collection period	68.2	78.6
PROFIT		
Gross profit percentage of sales	21.83%	27.83%
Average gross profit per factory employee	$ 17,869	$ 25,956
Income before taxes percentage of sales	5.61%	13.99%
Average income before taxes per employee	$ 3,958	$ 10,320

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 29,830	$ 60,334	$ 35,500	$ 46,954	$ 31,681	$ 33,994
39,229	76,242	46,316	63,670	42,048	44,477
9,722	34,928	12,162	25,896	17,406	21,859
33,435	50,138	34,320	50,768	30,698	31,390
139.51%	444.70%	89.96%	205.53%	160.77%	202.80%
79.77%	87.47%	81.15%	78.01%	80.77%	81.95%
11.62	9.94	9.38	10.94	10.87	8.18
8.61	2.59	9.47	11.05	8.36	9.87
$ 56,786	$ 86,453	$ 67,142	$ 79,469	$ 58,727	$ 57,431
71,260	100,879	83,425	101,807	73,229	70,130
44,671	68,357	48,860	61,274	46,256	46,910
575,422	836,680	759,471	735,161	663,947	721,873
63,289	99,590	72,509	86,357	63,255	62,295
75,554	108,164	87,217	106,221	77,965	75,169
47,372	73,279	51,080	63,938	49,165	50,170
781,343	0	1,194,355	953,931	1,406,695	1,174,936
394%	303%	370%	300%	357%	332%
40.30%	28.75%	36.89%	32.58%	38.28%	38.10%
133.48	375.43	80.76	62.53	76.08	71.89
$ 21,293	$ 22,760	$ 23,827	$ 26,033	$ 22,376	$ 21,634
19,542	18,731	21,054	21,439	21,275	20,108
28,012	40,400	33,730	41,025	24,859	26,310
34,182	50,564	39,748	44,133	36,504	32,221
$ 16,989	$ 12,977	$ 18,574	$ 19,507	$ 17,315	$ 16,510
16,630	13,151	17,378	17,636	16,738	15,526
14,290	11,152	16,316	15,784	15,500	16,227
21,335	0	33,657	39,678	28,951	25,791
34,205	65,538	47,181	56,041	42,486	43,426
28,827	52,964	36,021	38,350	34,020	44,638
41,552	73,564	55,412	74,315	51,956	56,008
20,009	46,711	51,255	42,835	57,046	56,176
64.5	70.8	71.3	88.1	70.9	77.9
21.38%	32.47%	21.15%	27.47%	21.75%	26.12%
$ 17,242	$ 37,451	$ 18,616	$ 29,150	$ 17,357	$ 20,081
5.57%	21.20%	3.48%	9.50%	7.90%	12.90%
$ 4,343	$ 19,281	$ 2,784	$ 7,536	$ 4,946	$ 7,848

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 1.37	$ 2.27
Receivables	17.80	20.25
Inventories	7.52	7.41
Marketable securities	0.76	2.59
Other current assets	0.84	0.50
	28.29	33.02
Plant Investment:		
Land and building	7.98	9.35
Machinery and equipment	28.82	25.15
Other fixed assets	3.52	6.44
	40.32	40.94
Non-Current Assets	2.33	4.04
TOTAL INVESTMENT	70.94	78.00
INVESTMENT TURNOVER PER $100 OF SALES	140.96%	128.21%
EARNINGS		
Cost of Product	$78.17	$72.17
Selling Expenses	6.85	6.61
Administrative Expenses	8.63	8.13
	93.65	86.91
Income Before Interest, Other Income, and Taxes	6.35	13.09
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.95%	16.78%

SALES FROM $1,500,000-$5,000,000		SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 1.89	$ 3.61	$ 1.31	$ 4.61	$ 1.00	$ 0.79
16.99	19.12	18.55	21.58	18.50	20.19
7.96	7.42	8.05	9.54	7.09	6.55
0.51	2.79	0.00	0.00	2.00	3.54
1.10	1.07	0.33	0.26	0.42	0.37
28.45	34.01	28.24	35.99	29.01	31.44
4.64	0.00	7.34	5.24	13.67	14.73
31.80	12.09	29.21	37.36	24.91	25.49
5.12	20.49	3.54	5.51	1.19	1.19
41.56	32.58	40.09	48.11	39.77	41.41
1.03	0.96	1.83	0.16	4.58	6.82
71.04	67.55	70.16	84.26	73.36	79.67
140.77%	148.04%	142.53%	118.68%	136.31%	125.52%
$78.62	$67.53	$78.85	$72.53	$78.25	$73.88
6.54	3.71	6.95	7.71	6.70	7.33
8.45	8.19	8.60	10.56	7.75	7.14
93.61	79.43	94.40	90.80	92.70	88.35
6.39	20.57	5.60	9.20	7.30	11.65
9.00%	30.45%	7.98%	10.92%	9.95%	14.62%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	PRINTING AND BINDING		PRINTING ONLY**	OTHER BOOK MANUFACTURERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.10	39.09	50.55	42.37
FACTORY EXPENSES	19.93	20.00	19.96	20.35
TOTAL FACTORY COST OF PRODUCT	65.03	59.09	70.51	62.72
GROSS PROFIT	34.97	40.91	29.49	37.28
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.07	12.35	11.66	10.42
Selling expenses	10.73	10.30	15.39	10.86
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	24.80	22.65	27.05	21.28
INCOME BEFORE INTEREST EXPENSE	10.17	18.26	2.44	16.00
Interest expense	3.61	1.12	2.34	2.13
OPERATING INCOME	6.56	17.14	0.10	13.87
Other income	1.99	2.39	3.53	1.83
INCOME BEFORE INCOME TAXES	8.55	19.53	3.63	15.70

** Sample insufficient for Profit Leaders.

	PRINTING AND BINDING		PRINTING ONLY**	OTHER BOOK MANUFACTURERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
FACTORY PAYROLL				
Salaries - executive	3.47%	4.46%	4.93%	3.09%
Direct wages	30.17	22.91	34.02	30.22
General factory salaries and wages	3.91	3.65	3.19	2.43
Packing, shipping and delivery wages	1.41	1.44	1.44	2.17
Payroll taxes	2.40	2.43	3.80	2.14
Employee benefits	3.74	4.20	3.17	2.32
TOTAL FACTORY PAYROLL	45.10	39.09	50.55	42.37
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.66	0.43	0.17	0.54
Depreciation - other	3.95	3.99	2.88	5.02
Taxes - real estate	0.45	0.36	0.16	0.33
Taxes - other	0.30	0.41	0.18	0.25
Insurance	0.62	0.78	0.62	0.76
Building rent	1.51	1.56	1.72	0.01
Utilities - heat, light, etc.	1.70	2.14	3.32	1.77
Equipment rental	0.29	0.62	1.19	1.68
Total Fixed Expenses	9.48	10.29	10.24	10.36
Other Expenses				
Factory supplies and expense	3.70	4.61	4.40	4.10
Packing, shipping and delivery expense	1.69	1.65	1.26	1.33
Repairs and maintenance	2.78	2.17	2.05	4.43
Other factory expenses	2.28	1.28	2.01	0.13
Total Other Expenses	10.45	9.71	9.72	9.99
TOTAL FACTORY EXPENSES	19.93	20.00	19.96	20.35
ADMINISTRATIVE EXPENSES				
Salaries - executive	3.91	4.00	4.10	1.69
Salaries - office	3.59	2.44	1.55	2.05
Payroll taxes	0.47	0.47	0.41	0.26
Employee benefits	0.74	0.56	0.61	0.33
Bad debts	0.65	0.96	1.84	2.73
Office supplies and expenses	0.87	0.51	0.36	0.47
Professional fees	0.74	0.60	0.53	0.78
Taxes - business	0.37	0.42	0.10	0.12
Telephone	0.80	0.75	0.49	0.66
Other administrative expenses	1.93	1.64	1.67	1.33
TOTAL ADMINISTRATIVE EXPENSES	14.07	12.35	11.66	10.42
SELLING EXPENSES				
Salaries - executive	1.35	1.65	1.11	0.78
Salaries and commissions - salesmen	4.26	3.44	4.86	4.13
Salaries - sales office clerical	1.80	1.59	4.16	1.70
Payroll taxes	0.34	0.40	0.69	0.39
Employee benefits	0.46	0.44	0.74	0.47
Advertising	0.50	0.88	0.21	0.53
Travel and entertainment	1.02	0.88	2.54	1.71
Other selling expenses	1.00	1.02	1.08	1.15
TOTAL SELLING EXPENSES	10.73	10.30	15.39	10.86

** Sample insufficient for Profit Leaders.

REPORT ON OPERATIONS - SALES = 100%

	PRINTING AND BINDING		PRINTING ONLY**	OTHER BOOK MANUFACTURERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	25.19	22.47	11.00	33.11
Other chargeable materials	6.38	8.56	10.38	2.41
Outside services	6.39	3.77	9.54	2.03
TOTAL MATERIAL	37.96	34.80	30.92	37.55
FACTORY PAYROLL	27.92	25.56	35.46	25.85
FACTORY EXPENSES	12.31	13.08	14.27	12.03
TOTAL FACTORY COST OF PRODUCT	78.19	73.44	80.65	75.43
GROSS PROFIT	21.81	26.56	19.35	24.57
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	8.82	7.97	7.93	6.74
Selling expenses	6.60	6.62	10.40	6.66
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	15.42	14.59	18.33	13.40
INCOME BEFORE INTEREST EXPENSE	6.39	11.97	1.02	11.17
Interest expense	2.14	0.70	1.65	1.22
OPERATING INCOME (LOSS)	4.25	11.27	(0.63)	9.95
Other income	1.23	1.58	2.45	1.17
INCOME BEFORE INCOME TAXES	5.48	12.85	1.82	11.12

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	0.86%	0.75%	4.03%	
Film	1.47	2.40	1.69	
Plates	1.73	2.42	1.87	
Other chargeable materials	2.32	2.99	2.79	
TOTAL OTHER CHARGEABLE MATERIALS	6.38	8.56	10.38	***
OUTSIDE SERVICES				
Composition	0.67	0.11		
Offset preparation	1.37	0.11		
Printing	0.84	0.11		
Binding	2.73	3.22		
Other outside services	0.78	0.22		
TOTAL OUTSIDE SERVICES	6.39	3.77	***	***

** Sample insufficient for Profit Leaders.

*** Information not submitted.

	PRINTING AND BINDING		PRINTING ONLY**	OTHER BOOK MANUFACTURERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
FACTORY PAYROLL				
Salaries - executive	2.16%	2.91%	3.35%	1.94%
Direct wages	18.66	14.97	24.18	18.32
General factory salaries and wages	2.42	2.42	2.07	1.56
Packing, shipping and delivery wages	0.87	0.92	1.06	1.37
Payroll taxes	1.49	1.58	2.65	1.27
Employee benefits	2.32	2.76	2.15	1.39
TOTAL FACTORY PAYROLL	27.92	25.56	35.46	25.85
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.43	0.28	0.10	0.32
Depreciation - other	2.40	2.57	2.08	3.17
Taxes - real estate	0.27	0.24	0.09	0.21
Taxes - other	0.18	0.27	0.13	0.15
Insurance	0.38	0.51	0.46	0.44
Building rent	0.92	1.01	1.35	0.01
Utilities - heat, light, etc.	1.06	1.39	2.33	1.01
Equipment rental	0.20	0.44	0.93	0.92
Total Fixed Expenses	5.84	6.71	7.47	6.23
Other Expenses				
Factory supplies and expense	2.32	3.02	2.95	2.31
Packing, shipping and delivery expense	1.07	1.10	1.00	0.83
Repairs and maintenance	1.70	1.41	1.40	2.58
Other factory expenses	1.38	0.84	1.45	0.08
Total Other Expenses	6.47	6.37	6.80	5.80
TOTAL FACTORY EXPENSES	12.31	13.08	14.27	12.03
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.50	2.62	2.84	1.03
Salaries - office	2.24	1.58	1.14	1.31
Payroll taxes	0.30	0.30	0.29	0.16
Employee benefits	0.46	0.36	0.44	0.20
Bad debts	0.39	0.59	1.08	1.89
Office supplies and expenses	0.54	0.33	0.26	0.31
Professional fees	0.47	0.39	0.36	0.46
Taxes - business	0.23	0.27	0.08	0.08
Telephone	0.49	0.47	0.34	0.42
Other administrative expenses	1.20	1.06	1.10	0.88
TOTAL ADMINISTRATIVE EXPENSES	8.82	7.97	7.93	6.74
SELLING EXPENSES				
Salaries - executive	0.82	1.06	0.75	0.46
Salaries and commissions - salesmen	2.62	2.20	3.14	2.57
Salaries - sales office clerical	1.08	1.04	2.97	0.99
Payroll taxes	0.21	0.26	0.47	0.23
Employee benefits	0.29	0.28	0.49	0.28
Advertising	0.32	0.56	0.15	0.36
Travel and entertainment	0.63	0.56	1.69	1.09
Other selling expenses	0.63	0.66	0.74	0.68
TOTAL SELLING EXPENSES	6.60	6.62	10.40	6.66

** Sample insufficient for Profit Leaders.

BALANCE SHEET

	PRINTING AND BINDING		PRINTING ONLY**	OTHER BOOK MANUFACTURERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
ASSETS				
CURRENT ASSETS				
Cash	3.01%	5.05%	0.67%	1.02%
Receivables	36.03	35.44	40.92	39.44
Inventories	14.81	12.91	21.54	17.67
Other current assets	3.40	5.17	0.57	1.39
TOTAL CURRENT ASSETS	57.25	58.57	63.70	59.52
FIXED ASSETS				
Real estate	14.89	15.15	1.56	17.58
Less: Accumulated depreciation	4.56	4.83	0.25	5.67
	10.33	10.32	1.31	11.91
Machinery and equipment	59.76	39.77	63.71	58.41
Less: Accumulated depreciation	35.18	22.49	33.39	32.18
	24.58	17.28	30.32	26.23
Other fixed assets	6.77	9.70	8.84	5.93
Less: Accumulated depreciation	2.91	2.00	5.00	3.74
	3.86	7.70	3.84	2.19
NET FIXED ASSETS	38.77	35.30	35.47	40.33
OTHER ASSETS	3.98	6.13	0.83	0.15
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	8.79	1.44	14.44	14.08
Accounts payable	14.70	8.07	23.98	24.83
Other current liabilities	11.29	12.23	10.60	7.76
TOTAL CURRENT LIABILITIES	34.78	21.74	49.02	46.67
LONG-TERM LIABILITIES	29.05	16.70	24.59	2.72
TOTAL LIABILITIES	63.83	38.44	73.61	49.39
SHAREHOLDERS' AND PROPRIE[illegible]S' EQUITY	36.17	61.56	26.39	50.61
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.65	2.69	1.30	1.28
QUICK RATIO	1.22	2.10	0.86	0.90
TOTAL LIABILITIES TO EQUITY	1.76	0.62	2.79	0.98
LONG-TERM LIABILITIES TO EQUITY	0.80	0.27	0.93	0.05
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.57	0.52	0.55

** Sample insufficient for Profit Leaders.

	PRINTING AND BINDING		PRINTING ONLY**	OTHER BOOK MANUFACTURERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
INVESTMENT				
Average assets per employee - All employees	$ 32,227	$ 43,806	$ 26,534	$ 28,960
Average assets per factory employee (Excluding Executives)	42,712	57,346	34,659	35,998
Average net worth per employee - All employees	12,707	25,790	7,142	15,768
Average gross plant investment per factory employee (Excluding Executives)	33,490	40,162	22,485	29,811
Net worth percentage of fixed assets	131.44%	270.24%	87.72%	119.79%
EMPLOYEES				
Percent factory - All employees	79.56%	82.58%	83.06%	83.32%
Percent administrative - All employees	11.81	9.19	5.69	7.16
Percent sales - All employees	8.63	8.23	11.25	9.52
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 60,048	$ 68,616	$ 57,183	$ 63,548
Sales per factory employee	75,712	83,568	69,121	76,688
Sales less material per factory employee	46,235	54,064	45,882	48,717
Sales per administrative employee	595,448	748,295	1,054,043	933,617
EXCLUDING EXECUTIVES				
Sales per employee - All employees	65,786	76,320	63,132	66,476
Sales per factory employee	80,044	89,418	74,849	78,814
Sales less material per factory employee	48,888	57,840	49,529	50,020
SALES PER SALESMAN	1,132,098	1,231,377	1,178,755	1,197,417
SALES TO CURRENT ASSETS	381%	309%	345%	376%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	38.45%	35.25%	47.99%	33.09%
Factory payroll percentage of gross plant investment	97.51	147.24	129.48	71.29
Payroll per employee - All employees	$ 22,100	$ 22,991	$ 25,975	$ 20,901
Payroll per factory employee	20,244	19,972	22,906	19,639
Payroll per administrative employee	27,793	33,919	44,420	24,742
Payroll per sales employee	36,455	40,543	39,156	30,465
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 17,260	$ 16,169	$ 20,319	$ 17,295
Payroll per factory employee	16,619	15,191	18,728	16,595
Payroll per administrative employee	15,141	14,872	16,127	15,057
Payroll per sales employee	27,222	23,102	32,851	25,401
EXECUTIVE PAYROLL				
Payroll per executive - All executives	39,665	49,253	43,755	51,357
Payroll per factory executive	30,392	38,305	32,899	64,351
Payroll per administrative executive	47,854	66,702	67,297	41,217
Payroll per sales executive	38,122	52,600	54,903	53,480
RECEIVABLES				
Collection period	67.6	77.9	71.0	74.2
PROFIT				
Gross profit percentage of sales	21.81%	26.56%	19.35%	24.57%
Average gross profit per factory employee	$ 17,845	$ 24,962	$ 15,283	$ 20,770
Income before taxes percentage of sales	5.48%	12.85%	1.82%	11.12%
Average income before taxes per employee	$ 3,841	$ 9,586	$ 1,638	$ 7,848

** Sample insufficient for Profit Leaders.

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTING AND BINDING		PRINTING ONLY**	OTHER BOOK MANUFACTURERS**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
INVESTMENT				
Current Assets:				
Cash	$ 1.51	$ 2.55	$ 0.37	$ 0.43
Receivables	17.71	20.43	19.19	17.80
Inventories	7.33	7.54	9.81	7.83
Marketable securities	0.87	2.91	0.00	0.00
Other current assets	0.90	0.51	0.26	0.61
	28.32	33.94	29.63	26.67
Plant Investment:				
Land and building	8.53	9.53	0.69	7.90
Machinery and equipment	28.81	24.29	31.07	26.67
Other fixed assets	3.52	7.00	4.34	2.62
	40.86	40.82	36.10	37.19
Non-Current Assets	2.64	4.53	0.41	0.07
TOTAL INVESTMENT	71.82	79.29	66.14	63.93
INVESTMENT TURNOVER PER $100 OF SALES	139.24%	126.12%	151.19%	156.42%
EARNINGS				
Cost of Product	$78.19	$73.44	$80.65	$75.43
Selling Expenses	6.60	6.62	10.40	6.66
Administrative Expenses	8.82	7.97	7.93	6.74
	93.61	88.03	98.98	88.83
Income Before Interest, Other Income, and Taxes	6.39	11.97	1.02	11.17
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.90%	15.10%	1.54%	17.47%

** Sample insufficient for Profit Leaders.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	44.12	37.88	49.61	44.96
FACTORY EXPENSES	19.46	18.94	20.11	17.68
TOTAL FACTORY COST OF PRODUCT	63.58	56.82	69.72	62.64
GROSS PROFIT	36.42	43.18	30.28	37.36
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.24	11.65	11.66	13.16
Selling expenses	11.13	9.95	10.11	9.10
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	25.37	21.60	21.77	22.26
INCOME BEFORE INTEREST EXPENSE	11.05	21.58	8.51	15.10
Interest expense	3.38	0.81	3.45	0.33
OPERATING INCOME	7.67	20.77	5.06	14.77
Other income	1.49	1.77	3.89	4.21
INCOME BEFORE INCOME TAXES	9.16	22.54	8.95	18.98

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.73%	4.94%	2.89%	3.55%
Direct wages	29.85	20.82	31.50	28.54
General factory salaries and wages	3.46	4.01	5.96	3.64
Packing, shipping and delivery wages	1.61	1.59	1.26	1.83
Payroll taxes	2.28	2.26	2.96	2.69
Employee benefits	3.19	4.26	5.04	4.71
TOTAL FACTORY PAYROLL	44.12	37.88	49.61	44.96
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.52	0.42	0.56	0.34
Depreciation - other	3.50	3.75	4.92	3.55
Taxes - real estate	0.38	0.37	0.42	0.21
Taxes - other	0.29	0.50	0.41	0.18
Insurance	0.63	0.85	0.51	0.45
Building rent	1.52	1.45	1.70	1.90
Utilities - heat, light, etc.	1.67	1.79	1.84	2.38
Equipment rental	0.43	0.79	0.21	0.12
Total Fixed Expenses	8.94	9.92	10.57	9.13
Other Expenses				
Factory supplies and expense	3.65	4.21	3.59	4.02
Packing, shipping and delivery expense	1.78	1.73	1.53	1.25
Repairs and maintenance	2.58	1.87	2.96	1.78
Other factory expenses	2.51	1.21	1.46	1.50
Total Other Expenses	10.52	9.02	9.54	8.55
TOTAL FACTORY EXPENSES	19.46	18.94	20.11	17.68
ADMINISTRATIVE EXPENSES				
Salaries - executive	3.80	3.29	3.37	5.82
Salaries - office	3.63	2.46	2.80	2.55
Payroll taxes	0.43	0.39	0.36	0.28
Employee benefits	0.67	0.49	0.84	0.75
Bad debts	0.93	1.30	0.54	0.92
Office supplies and expenses	0.86	0.47	0.86	0.48
Professional fees	0.70	0.56	0.74	0.67
Taxes - business	0.45	0.46	0.05	0.08
Telephone	0.68	0.50	0.86	1.02
Other administrative expenses	2.09	1.73	1.24	0.59
TOTAL ADMINISTRATIVE EXPENSES	14.24	11.65	11.66	13.16
SELLING EXPENSES				
Salaries - executive	1.44	1.75	0.75	0.96
Salaries and commissions - salesmen	4.26	2.60	3.82	3.93
Salaries - sales office clerical	1.93	1.84	2.19	0.71
Payroll taxes	0.33	0.34	0.35	0.30
Employee benefits	0.41	0.41	0.63	0.59
Advertising	0.52	0.99	0.62	0.91
Travel and entertainment	1.06	0.76	1.15	1.10
Other selling expenses	1.18	1.26	0.60	0.60
TOTAL SELLING EXPENSES	11.13	9.95	10.11	9.10

REPORT ON OPERATIONS - SALES = 100%

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	22.21	20.59	29.06	24.76
Other chargeable materials	6.21	7.72	9.01	10.94
Outside services	7.50	4.30	3.21	1.45
TOTAL MATERIAL	35.92	32.61	41.28	37.15
FACTORY PAYROLL	28.29	25.54	29.15	28.46
FACTORY EXPENSES	12.48	12.74	11.79	11.16
TOTAL FACTORY COST OF PRODUCT	76.69	70.89	82.22	76.77
GROSS PROFIT	23.31	29.11	17.78	23.23
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	9.13	7.87	6.78	8.03
Selling expenses	7.10	6.63	5.88	5.61
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	16.23	14.50	12.66	13.64
INCOME BEFORE INTEREST EXPENSE	7.08	14.61	5.12	9.59
Interest expense	2.04	0.52	1.97	0.21
OPERATING INCOME	5.04	14.09	3.15	9.38
Other income	0.99	1.23	2.35	2.69
INCOME BEFORE INCOME TAXES	6.03	15.32	5.50	12.07

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	0.80%	0.48%	1.85%	2.64%
Film	1.52	2.26	1.35	2.24
Plates	1.59	2.09	2.16	3.83
Other chargeable materials	2.30	2.89	3.65	2.23
TOTAL OTHER CHARGEABLE MATERIALS	6.21	7.72	9.01	10.94
OUTSIDE SERVICES				
Composition	0.84	0.13	0.02	
Offset preparation	1.62	0.13	0.97	
Printing	1.02	0.13	0.01	
Binding	3.51	3.66	0.58	
Other outside services	0.51	0.25	1.63	
TOTAL OUTSIDE SERVICES	7.50	4.30	3.21	***

SUPPORTING SCHEDULES - SALES = 100%

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.40%	3.28%	1.71%	2.26%
Direct wages	19.07	14.08	18.57	18.17
General factory salaries and wages	2.22	2.73	3.46	2.28
Packing, shipping and delivery wages	1.04	1.06	0.73	1.11
Payroll taxes	1.47	1.52	1.75	1.70
Employee benefits	2.09	2.87	2.93	2.94
TOTAL FACTORY PAYROLL	28.29	25.54	29.15	28.46
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.33	0.28	0.33	0.23
Depreciation - other	2.22	2.49	2.89	2.23
Taxes - real estate	0.24	0.25	0.24	0.14
Taxes - other	0.18	0.33	0.23	0.11
Insurance	0.41	0.58	0.30	0.28
Building rent	0.99	0.97	0.98	1.16
Utilities - heat, light, etc.	1.08	1.19	1.11	1.54
Equipment rental	0.31	0.56	0.13	0.08
Total Fixed Expenses	5.76	6.65	6.21	5.77
Other Expenses				
Factory supplies and expense	2.36	2.84	2.10	2.50
Packing, shipping and delivery expense	1.17	1.18	0.89	0.79
Repairs and maintenance	1.63	1.26	1.73	1.13
Other factory expenses	1.56	0.81	0.86	0.97
Total Other Expenses	6.72	6.09	5.58	5.39
TOTAL FACTORY EXPENSES	12.48	12.74	11.79	11.16
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.50	2.27	1.97	3.50
Salaries - office	2.31	1.64	1.64	1.59
Payroll taxes	0.28	0.26	0.21	0.17
Employee benefits	0.43	0.33	0.49	0.46
Bad debts	0.58	0.88	0.31	0.54
Office supplies and expenses	0.54	0.32	0.50	0.31
Professional fees	0.45	0.38	0.43	0.42
Taxes - business	0.28	0.30	0.03	0.05
Telephone	0.43	0.33	0.50	0.62
Other administrative expenses	1.33	1.16	0.70	0.37
TOTAL ADMINISTRATIVE EXPENSES	9.13	7.87	6.78	8.03
SELLING EXPENSES				
Salaries - executive	0.91	1.15	0.43	0.59
Salaries and commissions - salesmen	2.72	1.77	2.24	2.40
Salaries - sales office clerical	1.22	1.22	1.27	0.47
Payroll taxes	0.21	0.22	0.20	0.19
Employee benefits	0.26	0.27	0.36	0.37
Advertising	0.35	0.66	0.36	0.54
Travel and entertainment	0.67	0.51	0.67	0.67
Other selling expenses	0.76	0.83	0.35	0.38
TOTAL SELLING EXPENSES	7.10	6.63	5.88	5.61

BALANCE SHEET

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	2.12%	3.50%	3.16%	6.82%
Receivables	38.70	36.76	30.75	33.65
Inventories	15.68	11.95	13.65	15.53
Other current assets	3.57	5.62	2.44	4.14
TOTAL CURRENT ASSETS	60.07	57.83	50.00	60.14
FIXED ASSETS				
Real estate	13.60	16.67	15.44	12.55
Less: Accumulated depreciation	4.98	5.65	3.18	3.65
	8.62	11.02	12.26	8.90
Machinery and equipment	62.39	36.51	59.58	50.08
Less: Accumulated depreciation	39.57	19.53	27.61	30.71
	22.82	16.98	31.97	19.37
Other fixed assets	8.11	9.79	3.85	7.31
Less: Accumulated depreciation	3.50	1.14	1.89	3.82
	4.61	8.65	1.96	3.49
NET FIXED ASSETS	36.05	36.65	46.19	31.76
OTHER ASSETS	3.88	5.52	3.81	8.10
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	10.69	2.49	5.76	1.13
Accounts payable	16.73	8.09	11.15	8.08
Other current liabilities	12.26	11.79	7.52	12.07
TOTAL CURRENT LIABILITIES	39.68	22.37	24.43	21.28
LONG-TERM LIABILITIES	24.94	14.05	35.23	9.13
TOTAL LIABILITIES	64.62	36.42	59.66	30.41
SHAREHOLDERS' AND PROPRIETORS' EQUITY	35.38	63.58	40.34	69.59
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.51	2.59	2.05	2.83
QUICK RATIO	1.12	2.05	1.49	2.10
TOTAL LIABILITIES TO EQUITY	1.83	0.57	1.48	0.44
LONG-TERM LIABILITIES TO EQUITY	0.70	0.22	0.87	0.13
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.63	0.53	0.46	0.61

SIGNIFICANT FACTS

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 29,450	$ 41,387	$ 32,502	$ 35,961
Average assets per factory employee (Excluding Executives)	39,221	54,130	40,463	44,178
Average net worth per employee - All employees	11,567	25,631	13,276	24,413
Average gross plant investment per factory employee (Excluding Executives)	31,163	36,740	31,830	31,107
Net worth percentage of fixed assets	136.33%	291.24%	125.02%	235.88%
EMPLOYEES				
Percent factory - All employees	79.08%	82.54%	83.84%	84.83%
Percent administrative - All employees	11.68	9.12	8.67	9.26
Percent sales - All employees	9.24	8.34	7.49	5.91
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 57,753	$ 66,122	$ 62,734	$ 73,294
Sales per factory employee	73,227	80,258	75,431	87,277
Sales less material per factory employee	46,386	53,971	44,125	54,180
Sales per administrative employee	577,062	707,675	818,554	853,824
EXCLUDING EXECUTIVES				
Sales per employee - All employees	63,399	73,875	66,715	79,329
Sales per factory employee	77,613	86,201	78,431	91,288
Sales less material per factory employee	49,126	57,869	45,893	56,705
SALES PER SALESMAN	1,180,207	1,174,936	957,736	953,931
SALES TO CURRENT ASSETS	382%	324%	416%	352%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	39.13%	34.66%	37.96%	38.19%
Factory payroll percentage of gross plant investment	108.09	173.72	72.11	83.81
Payroll per employee - All employees	$ 21,571	$ 21,389	$ 23,459	$ 27,808
Payroll per factory employee	19,868	19,059	21,258	24,029
Payroll per administrative employee	27,872	29,770	31,941	44,296
Payroll per sales employee	33,622	35,745	39,738	50,300
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 16,955	$ 14,738	$ 18,115	$ 20,198
Payroll per factory employee	16,384	14,086	17,244	18,979
Payroll per administrative employee	15,121	14,206	15,849	17,795
Payroll per sales employee	24,046	15,562	33,370	41,733
EXECUTIVE PAYROLL				
Payroll per executive - All executives	41,711	49,944	39,227	62,575
Payroll per factory executive	34,191	48,774	29,226	42,403
Payroll per administrative executive	46,948	55,102	57,960	102,171
Payroll per sales executive	39,503	43,953	40,642	75,093
RECEIVABLES				
Collection period	68.7	77.2	59.1	62.2
PROFIT				
Gross profit percentage of sales	23.31%	29.11%	17.78%	23.23%
Average gross profit per factory employee	$ 18,689	$ 26,604	$ 14,815	$ 21,583
Income before taxes percentage of sales	6.03%	15.32%	5.50%	12.07%
Average income before taxes per employee	$ 4,219	$ 11,383	$ 3,898	$ 8,556

RETURN ON INVESTMENT - PER $100 OF SALES

	SHEET-FED OFFSET		WEB-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 0.95	$ 1.70	$ 1.41	$ 2.66
Receivables	17.90	20.13	15.73	16.26
Inventories	7.24	6.83	6.96	7.06
Marketable securities	0.90	3.10	0.78	2.34
Other current assets	0.88	0.61	0.69	0.30
	27.87	32.37	25.57	28.62
Plant Investment:				
Land and building	7.41	9.48	9.19	8.39
Machinery and equipment	27.89	20.29	31.61	24.80
Other fixed assets	4.12	7.43	1.80	3.16
	39.42	37.20	42.60	36.35
Non-Current Assets	2.61	4.30	2.35	5.27
TOTAL INVESTMENT	69.90	73.87	70.52	70.24
INVESTMENT TURNOVER PER $100 OF SALES	143.06%	135.37%	141.80%	142.37%
EARNINGS				
Cost of Product	$76.69	$70.89	$82.22	$76.77
Selling Expenses	7.10	6.63	5.88	5.61
Administrative Expenses	9.13	7.87	6.78	8.03
	92.92	85.39	94.88	90.41
Income Before Interest, Other Income, and Taxes	7.08	14.61	5.12	9.59
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	10.13%	19.78%	7.26%	13.65%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	AVERAGE FIRM REPORTING** SALES OR VALUE OF PRODUCTION	AVERAGE FIRM REPORTING** TOTAL INCOME
TOTAL - ALL FIRMS	31	$ 4,660,000	$ 8,513,000	$ 547,000
TOTAL - PROFIT LEADERS*	9	7,593,000	12,275,000	1,574,000
BY SIZE OF FIRM				
ALL FIRMS				
$1,500,000-$5,000,000	11	1,577,000	3,224,000	140,000
$5,000,000-$10,000,000	10	3,496,000	6,733,000	249,000
Over $10,000,000	9	10,210,000	17,816,000	1,430,000
PROFIT LEADERS				
$1,500,000-$5,000,000	2	1,287,000	2,229,000	459,000
$5,000,000-$10,000,000	2	3,731,000	6,049,000	576,000
Over $10,000,000	5	11,660,000	18,784,000	2,419,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Printing and Binding	27	4,692,000	8,341,000	506,000
Printing Only	2	3,415,000	7,328,000	189,000
Other Book Manufacturers	2	5,470,000	12,020,000	1,458,000
PROFIT LEADERS				
Printing and Binding	8	7,749,000	12,180,000	1,394,000
BY PROCESS SPECIALTY				
ALL FIRMS				
Sheet-Fed Offset	21	3,962,000	7,607,000	514,000
Web-Fed Offset	6	7,473,000	12,589,000	889,000
PROFIT LEADERS				
Sheet-Fed Offset	6	6,647,000	11,161,000	1,383,000
Web-Fed Offset	2	11,509,000	18,557,000	2,618,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in these books, these figures are arithmetic averages. See explanatory note on page 36.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

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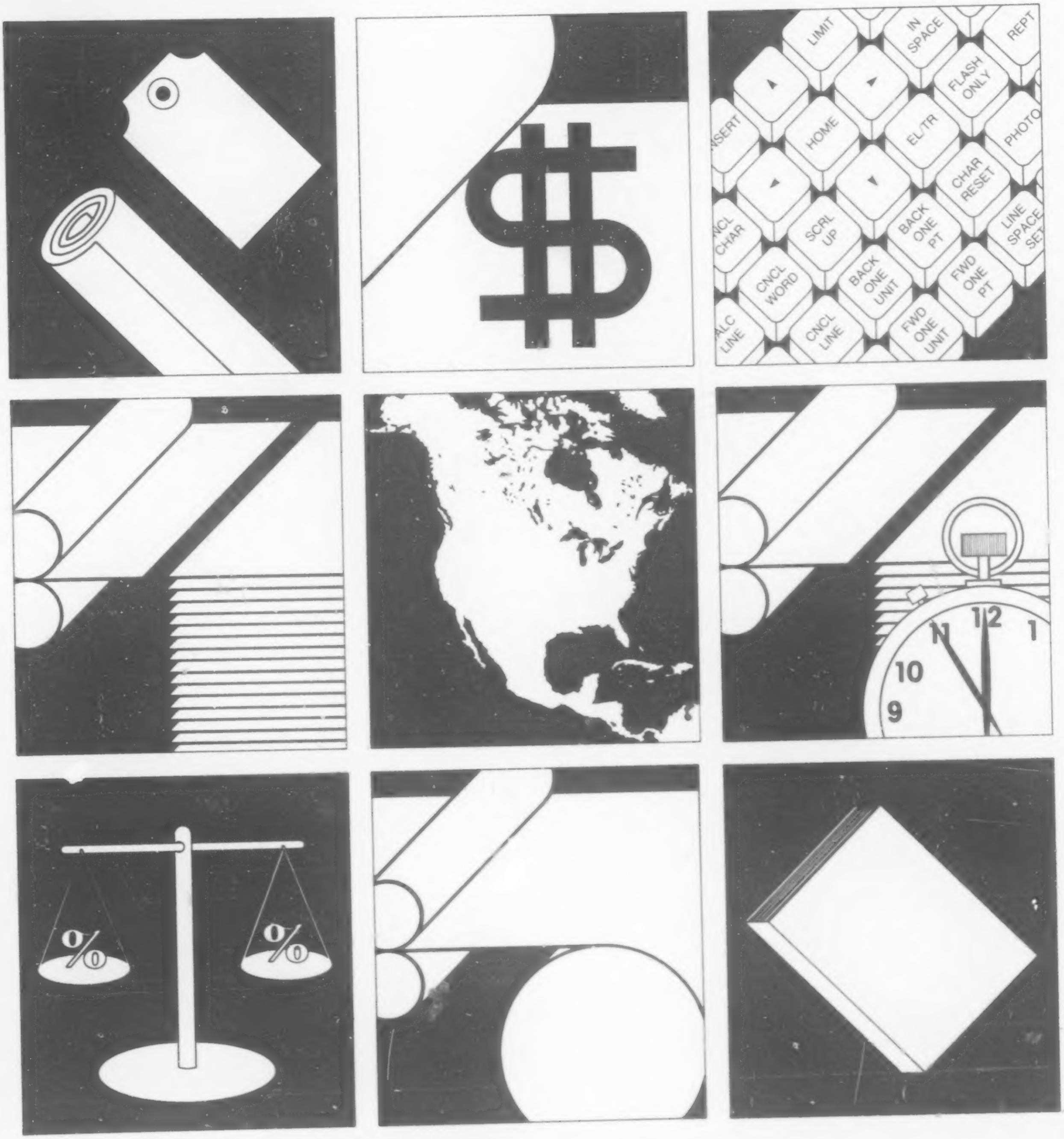
1983 Financial Ratios

Printing Industries of America, Inc.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Volume X

Large Printers' Ratios

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management

  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

LARGE PRINTING FIRMS

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PRINTING INDUSTRIES OF AMERICA, INC.

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1730 North Lynn Street
Arlington, Virginia 22209

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Printed in U.S.A.

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CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1983 PIA FINANCIAL RATIOS FOR NON-HEATSET WEB OFFSET PRINTERS. This Ratio Study was developed on the basis of questionnaires volunteered by 55 firms and presents the ratios and statistics of Non-Heatset Web Offset Printers by sales volume and by product.

Thus the user of the report can direct himself to the standards for his sales size - for example, sales to $1.5 million, sales from $1.5 to $5 million, etc.; product specialty - for example, Commercial and Advertising, Magazine and Periodical, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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Printing Industries of America, Inc. recognizes that the industry's largest printing firms have some unique needs which are not generally being met in the industry. For this reason PIA has developed programs and services for the benefit of these companies. One of these services is this special ratio study undertaken exclusively for companies of this size. Another effort on the part of PIA to meet the needs of large firms is the Conference Board of Major Printers. Listed below is information regarding this PIA special section.

- CBMP is the only organization dedicated to the needs of the large printers.
- Membership is limited to Chief Executive Officers of selected printing companies.
- CBMP pursues specific projects of special interest to large printers, via special presentations at the Quarterly Meetings, and via monthly *UP-DATE SURVEYS* and *REPORTS* on current topics of interest.
- CBMP represents the interests of the major printers within PIA, by assuring that appropriate PIA programs are offered to its members.
- CBMP provides basic leadership to the printing industry as a whole.
- CBMP studies the impact of government regulations and legislation on the large printing organizations.
- CBMP studies the impact on large printers of suppliers of equipment and materials.
- CBMP strives toward better understanding of customer needs through its own special studies.
- CBMP is comprised of over 40 member companies who produce every type of printed product.

Terry A. Nagi

Terry A. Nagi, Executive Director
Conference Board of Major Printers
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VALUE ADDED -- WHAT IT MEANS TO YOU

VALUE ADDED DEFINED

Value added is simply your sales less material costs, which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$ 23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services -- composition, offset preparation, printing, bindery, etc.

KNOWN BY OTHER TERMS

Value added is also known by such other terms as inside sales, conversion value, inside manufacturing value and real contribution to overhead and profit. Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

CONCEPTUAL UNDERSTANDING OF VALUE ADDED

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry.

Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the value added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

STATEMENT OF OPERATIONS -- VALUE ADDED: THE BETTER STATEMENT

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	46.60	41.05	46.15	40.00
FACTORY EXPENSES	20.78	19.26	20.68	19.07
TOTAL FACTORY COST OF PRODUCT	67.38	60.31	66.83	59.07
GROSS PROFIT	32.62	39.69	33.17	40.93
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	10.38	8.52	10.64	9.03
Selling expenses	10.81	10.53	12.20	11.38
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	21.19	19.05	22.84	20.41
INCOME BEFORE INTEREST EXPENSE	11.43	20.64	10.33	20.52
Interest expense	3.21	2.22	3.48	2.28
OPERATING INCOME	8.22	18.42	6.85	18.24
Other income (expense)	1.34	1.57	1.32	1.16
INCOME BEFORE INCOME TAXES	9.56	19.99	8.17	19.40

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* See page 10 for the definition of "Profit Leaders."
** Sample insufficient for Profit Leaders.

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X
X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%
47.27	41.77	46.79	50.39	46.30
20.55	19.90	24.40	19.33	18.58
67.82	61.67	71.19	69.72	64.88
32.18	38.33	28.81	30.28	35.12
10.19	8.36	8.30	4.56	11.53
9.69	9.98	5.50	6.13	6.62
19.88	18.34	13.80	10.69	18.15
12.30	19.99	15.01	19.59	16.97
2.79	2.39	4.09	0.93	1.44
9.51	17.60	10.92	18.66	15.53
1.42	1.82	2.05	2.65	(0.24)
10.93	19.42	12.97	21.31	15.29

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.65%	2.23%	2.88%	2.13%
Direct wages	29.28	26.91	29.21	26.42
General factory salaries and wages	5.25	4.09	4.75	3.88
Packing, shipping and delivery wages	1.61	1.27	1.73	1.23
Payroll taxes	2.84	2.25	2.92	2.29
Employee benefits	4.97	4.30	4.66	4.05
TOTAL FACTORY PAYROLL	46.60	41.05	46.15	40.00
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.48	0.43	0.50	0.40
Depreciation - other	4.89	4.96	5.03	4.86
Taxes - real estate	0.45	0.45	0.45	0.38
Taxes - other	0.28	0.20	0.30	0.20
Insurance	0.40	0.28	0.42	0.33
Building rent	0.88	0.92	1.03	1.21
Utilities - heat, light, etc.	2.46	2.30	2.27	2.05
Equipment rental	0.51	0.39	0.52	0.44
Total Fixed Expenses	10.35	9.93	10.52	9.87
Other Expenses				
Factory supplies and expense	4.13	4.11	3.83	3.96
Packing, shipping and delivery expense	1.99	1.61	2.07	1.40
Repairs and maintenance	2.71	2.22	2.72	2.40
Other factory expenses	1.60	1.39	1.54	1.44
Total Other Expenses	10.43	9.33	10.16	9.20
TOTAL FACTORY EXPENSES	20.78	19.26	20.68	19.07
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.08	1.92	2.26	1.88
Salaries - office	2.71	2.01	2.82	2.31
Payroll taxes	0.30	0.21	0.33	0.25
Employee benefits	0.72	0.67	0.72	0.68
Bad debts	0.75	0.72	0.72	0.80
Office supplies and expenses	0.49	0.46	0.51	0.45
Professional fees	0.68	0.45	0.56	0.43
Taxes - business	0.15	0.17	0.18	0.15
Telephone	0.52	0.46	0.56	0.51
Other administrative expenses	1.98	1.45	1.98	1.57
TOTAL ADMINISTRATIVE EXPENSES	10.38	8.52	10.64	9.03
SELLING EXPENSES				
Salaries - executive	1.16	1.28	1.20	1.28
Salaries and commissions - salesmen	4.92	5.00	5.77	5.21
Salaries - sales office clerical	1.30	1.04	1.49	1.26
Payroll taxes	0.31	0.25	0.36	0.32
Employee benefits	0.54	0.47	0.55	0.46
Advertising	0.39	0.29	0.46	0.37
Travel and entertainment	0.98	0.71	1.13	0.85
Other selling expenses	1.21	1.49	1.24	1.63
TOTAL SELLING EXPENSES	10.81	10.53	12.20	11.38

** Sample insufficient for Profit Leaders.

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.42%	2.68%	1.59%	1.16%	3.14%
29.16	26.40	31.45	36.14	31.33
5.99	4.24	4.50	5.97	4.13
1.54	1.47	0.71	0.54	2.18
2.75	2.29	2.40	1.59	2.87
5.41	4.69	6.14	4.99	2.65
47.27	41.77	46.79	50.39	46.30
0.43	0.47	0.64	0.42	0.42
4.47	5.17	6.55	4.84	4.89
0.41	0.52	0.81	0.60	0.45
0.26	0.22	0.15	0.22	0.32
0.38	0.25	0.24	0.08	0.48
0.73	0.62	0.19	0.03	0.94
2.66	2.55	2.67	2.87	3.10
0.48	0.26	0.58	0.77	0.65
9.82	10.06	11.83	9.83	11.25
4.72	4.46	3.49	4.02	3.86
2.04	2.01	0.87	1.54	0.68
2.49	2.07	4.31	1.80	2.45
1.48	1.30	3.90	2.14	0.34
10.73	9.84	12.57	9.50	7.33
20.55	19.90	24.40	19.33	18.58
1.94	2.22	0.79	0.87	2.57
2.54	1.59	2.02	1.41	3.24
0.28	0.17	0.08	0.06	0.38
0.73	0.65	0.54	0.35	1.09
0.74	0.70	1.42	0.26	0.53
0.49	0.52	0.22	0.17	0.54
0.82	0.53	1.22	0.23	0.52
0.14	0.25	0.03	0.00	0.03
0.48	0.42	0.32	0.13	0.70
2.03	1.31	1.66	1.08	1.93
10.19	8.36	8.30	4.56	11.53
1.23	1.46	0.67	0.49	0.54
4.09	4.99	2.06	2.38	3.29
1.15	0.76	0.68	0.74	0.51
0.26	0.18	0.03	0.06	0.16
0.61	0.53	0.19	0.23	0.19
0.31	0.12	0.30	0.49	0.29
0.81	0.56	0.60	0.36	0.73
1.23	1.38	0.97	1.38	0.91
9.69	9.98	5.50	6.13	6.62

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	28.85	26.20	26.46	24.29
Other chargeable materials	6.80	6.79	6.21	5.80
Outside services	6.33	5.77	7.54	6.53
TOTAL MATERIAL	41.98	38.76	40.21	36.62
FACTORY PAYROLL	26.96	25.18	27.44	25.32
FACTORY EXPENSES	11.97	11.73	12.22	11.90
TOTAL FACTORY COST OF PRODUCT	80.91	75.67	79.87	73.84
GROSS PROFIT	19.09	24.33	20.13	26.16
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	6.11	5.31	6.44	5.78
Selling expenses	6.38	6.64	7.44	7.57
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	12.49	11.95	13.88	13.35
INCOME BEFORE INTEREST EXPENSE	6.60	12.38	6.25	12.81
Interest expense	1.78	1.29	1.96	1.32
OPERATING INCOME	4.82	11.09	4.29	11.49
Other income (expense)	0.77	0.96	0.80	0.73
INCOME BEFORE INCOME TAXES	5.59	12.05	5.09	12.22

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	3.55%	4.02%	2.57%	2.89%
Film	0.80	0.81	0.88	0.96
Plates	0.97	0.82	0.98	0.68
Other chargeable materials	1.48	1.14	1.78	1.27
TOTAL OTHER CHARGEABLE MATERIALS	6.80	6.79	6.21	5.80
OUTSIDE SERVICES				
Composition	0.41	0.41	0.62	0.67
Offset preparation	1.31	0.93	1.61	1.14
Printing	0.84	0.87	0.74	0.64
Binding	2.15	1.86	2.54	1.95
Other outside services	1.62	1.70	2.03	2.13
TOTAL OUTSIDE SERVICES	6.33	5.77	7.54	6.53

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Sample insufficient for Profit Leaders.

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%
31.72	28.26	31.25	26.88	38.81
7.14	7.64	10.82	12.28	7.02
5.01	4.94	3.36	2.63	4.79
43.87	40.84	45.43	41.79	50.62
26.65	24.92	25.27	29.30	22.38
11.54	11.88	13.24	11.21	9.12
82.06	77.64	83.94	82.30	82.12
17.94	22.36	16.06	17.70	17.88
5.82	5.06	4.54	2.64	6.09
5.38	5.81	3.02	3.53	3.50
11.20	10.87	7.56	6.17	9.59
6.74	11.49	8.50	11.53	8.29
1.47	1.41	2.41	0.53	0.83
5.27	10.08	6.09	11.00	7.46
0.79	1.16	1.16	1.48	(0.37)
6.06	11.24	7.25	12.48	7.09

4.67%	4.68%	7.23%	9.90%	3.54%
0.71	0.76	0.65	0.37	0.48
1.00	1.15	0.71	0.70	0.56
0.76	1.05	2.23	1.31	2.44
7.14	7.64	10.82	12.28	7.02
0.19	0.15	0.00	0.00	0.13
0.93	0.74	1.43	0.12	0.84
0.89	1.05	0.69	0.86	2.01
1.78	1.77	0.61	0.78	1.26
1.22	1.23	0.63	0.87	0.55
5.01	4.94	3.36	2.63	4.79

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.51%	1.34%	1.71%	1.27%
Direct wages	16.93	16.55	17.36	16.82
General factory salaries and wages	3.05	2.52	2.84	2.52
Packing, shipping and delivery wages	0.93	0.78	1.02	0.78
Payroll taxes	1.64	1.41	1.73	1.46
Employee benefits	2.90	2.58	2.78	2.47
TOTAL FACTORY PAYROLL	26.96	25.18	27.44	25.32
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.28	0.26	0.30	0.24
Depreciation - other	2.82	3.01	2.97	3.08
Taxes - real estate	0.25	0.26	0.26	0.24
Taxes - other	0.17	0.13	0.19	0.12
Insurance	0.23	0.18	0.25	0.21
Building rent	0.50	0.58	0.61	0.79
Utilities - heat, light, etc.	1.42	1.38	1.36	1.25
Equipment rental	0.30	0.24	0.32	0.27
Total Fixed Expenses	5.97	6.04	6.26	6.20
Other Expenses				
Factory supplies and expense	2.38	2.50	2.25	2.47
Packing, shipping and delivery expense	1.16	0.98	1.21	0.87
Repairs and maintenance	1.54	1.37	1.60	1.52
Other factory expenses	0.92	0.84	0.90	0.84
Total Other Expenses	6.00	5.69	5.96	5.70
TOTAL FACTORY EXPENSES	11.97	11.73	12.22	11.90
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.22	1.21	1.38	1.22
Salaries - office	1.59	1.25	1.70	1.48
Payroll taxes	0.18	0.13	0.20	0.16
Employee benefits	0.43	0.42	0.44	0.45
Bad debts	0.44	0.43	0.44	0.50
Office supplies and expenses	0.28	0.28	0.30	0.27
Professional fees	0.40	0.29	0.34	0.27
Taxes - business	0.09	0.12	0.11	0.11
Telephone	0.31	0.28	0.33	0.32
Other administrative expenses	1.17	0.90	1.20	1.00
TOTAL ADMINISTRATIVE EXPENSES	6.11	5.31	6.44	5.78
SELLING EXPENSES				
Salaries - executive	0.68	0.78	0.72	0.78
Salaries and commissions - salesmen	2.88	3.08	3.51	3.47
Salaries - sales office clerical	0.76	0.68	0.90	0.87
Payroll taxes	0.19	0.17	0.23	0.22
Employee benefits	0.32	0.29	0.33	0.29
Advertising	0.24	0.19	0.29	0.26
Travel and entertainment	0.57	0.45	0.67	0.53
Other selling expenses	0.74	1.00	0.79	1.15
TOTAL SELLING EXPENSES	6.38	6.64	7.44	7.57

** Sample insufficient for Profit Leaders.

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
1.32%	1.62%	0.82%	0.69%	1.40%
16.45	15.71	17.15	21.03	15.01
3.39	2.47	2.38	3.38	1.96
0.83	0.89	0.46	0.32	1.24
1.56	1.43	1.26	0.98	1.39
3.10	2.80	3.20	2.90	1.38
26.65	24.92	25.27	29.30	22.38
0.25	0.29	0.30	0.25	0.21
2.47	3.04	3.66	2.83	2.44
0.22	0.28	0.40	0.34	0.25
0.15	0.14	0.10	0.12	0.13
0.21	0.15	0.14	0.05	0.23
0.40	0.36	0.09	0.02	0.52
1.49	1.51	1.53	1.68	1.56
0.27	0.17	0.33	0.46	0.37
5.46	5.94	6.55	5.75	5.71
2.67	2.64	1.96	2.34	1.90
1.19	1.22	0.46	0.88	0.31
1.37	1.24	2.29	1.05	1.12
0.85	0.84	1.98	1.19	0.08
6.08	5.94	6.69	5.46	3.41
11.54	11.88	13.24	11.21	9.12
1.07	1.34	0.49	0.50	1.32
1.49	0.95	1.09	0.83	1.78
0.16	0.10	0.05	0.04	0.21
0.42	0.39	0.35	0.20	0.57
0.40	0.38	0.73	0.15	0.29
0.28	0.33	0.13	0.10	0.29
0.47	0.34	0.62	0.13	0.25
0.08	0.16	0.02	0.00	0.01
0.27	0.26	0.18	0.07	0.38
1.18	0.81	0.88	0.62	0.99
5.82	5.06	4.54	2.64	6.09
0.69	0.88	0.36	0.29	0.31
2.22	2.77	1.11	1.30	1.69
0.65	0.45	0.37	0.44	0.26
0.15	0.11	0.02	0.04	0.08
0.35	0.32	0.10	0.14	0.10
0.18	0.07	0.16	0.28	0.16
0.45	0.36	0.35	0.21	0.41
0.69	0.85	0.55	0.83	0.49
5.38	5.81	3.02	3.53	3.50

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	3.61%	6.47%	4.79%	9.33%
Receivables	29.75	27.92	29.63	28.98
Inventories	15.31	13.38	15.21	13.77
Other current assets	3.73	5.82	3.38	4.46
TOTAL CURRENT ASSETS	52.40	53.59	53.01	56.54
FIXED ASSETS				
Real estate	15.01	12.20	15.13	11.77
Less: Accumulated depreciation	4.36	2.94	4.52	2.65
	10.65	9.26	10.61	9.12
Machinery and equipment	59.10	57.74	59.43	57.52
Less: Accumulated depreciation	28.92	26.70	29.00	26.02
	30.18	31.04	30.43	31.50
Other fixed assets	3.53	2.63	4.13	3.16
Less: Accumulated depreciation	1.77	1.27	2.19	1.56
	1.76	1.36	1.94	1.60
NET FIXED ASSETS	42.59	41.66	42.98	42.22
OTHER ASSETS	5.01	4.75	4.01	1.24
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	6.11	3.58	6.01	2.42
Accounts payable	12.60	9.76	12.98	9.97
Other current liabilities	10.65	10.76	11.72	12.41
TOTAL CURRENT LIABILITIES	29.36	24.10	30.71	24.80
LONG-TERM LIABILITIES	24.91	18.93	24.13	16.77
TOTAL LIABILITIES	54.27	43.03	54.84	41.57
SHAREHOLDERS' AND PROPRIETORS' EQUITY	45.73	56.97	45.16	58.43
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.78	2.22	1.73	2.28
QUICK RATIO	1.26	1.67	1.23	1.72
TOTAL LIABILITIES TO EQUITY	1.19	0.76	1.21	0.71
LONG-TERM LIABILITIES TO EQUITY	0.54	0.33	0.53	0.29
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.49	0.46	0.49	0.45

** Sample insufficient for Profit Leaders.

SALES FROM $20 TO $40 MILLION ALL FIRMS	SALES FROM $20 TO $40 MILLION PROFIT LEADERS	SALES FROM $40 TO $80 MILLION ALL FIRMS	SALES FROM $40 TO $80 MILLION PROFIT LEADERS	SALES FROM $80 TO $160 MILLION** ALL FIRMS
2.45%	3.30%	(0.17)%	0.44%	1.06%
30.70	27.60	26.95	23.38	23.14
15.91	12.18	13.51	14.99	14.13
4.28	7.80	4.46	9.65	1.86
53.34	50.88	44.75	48.46	40.19
14.54	12.20	18.67	19.04	11.13
4.02	3.10	6.06	5.61	1.92
10.52	9.10	12.61	13.43	9.21
57.08	56.72	69.62	71.38	53.05
28.86	26.15	32.00	38.65	16.63
28.22	30.57	37.62	32.73	36.42
3.02	1.74	1.19	2.37	2.59
1.33	0.76	0.57	1.33	1.14
1.69	0.98	0.62	1.04	1.45
40.43	40.65	50.85	47.20	47.08
6.23	8.47	4.40	4.34	12.73
100.00	100.00	100.00	100.00	100.00

6.52	5.30	7.33	5.38	1.28
12.37	9.12	11.73	10.30	10.86
9.67	9.08	5.94	5.92	8.78
28.56	23.50	25.00	21.60	20.92
25.20	24.85	29.48	6.73	26.94
53.76	48.35	54.48	28.33	47.86
46.24	51.65	45.52	71.67	52.14
100.00	100.00	100.00	100.00	100.00

1.87	2.17	1.79	2.24	1.92
1.31	1.65	1.25	1.55	1.25
1.16	0.94	1.20	0.40	0.92
0.54	0.48	0.65	0.09	0.52
0.51	0.46	0.46	0.54	0.31

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 47,197	$ 51,407	$ 43,038	$ 48,276
Average assets per factory employee (Excluding Executives)	60,248	64,249	55,779	60,712
Average net worth per employee - All employees	21,075	28,863	19,284	26,784
Average gross plant investment per factory employee (Excluding Executives)	45,238	46,510	42,698	44,090
Net worth percentage of fixed assets	123.30%	156.54%	117.08%	161.28%
EMPLOYEES				
Percent factory - All employees	82.55%	83.72%	81.37%	82.53%
Percent administrative - All employees	8.64	7.03	8.83	7.62
Percent sales - All employees	8.81	9.25	9.80	9.85
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 86,353	$ 90,612	$ 81,010	$ 85,001
Sales per factory employee	106,251	110,324	100,978	104 372
Sales less material per factory employee	59,806	65,041	59,136	64,992
Sales per administrative employee	1,310,652	1,622,761	1,106,311	1,279,290
EXCLUDING EXECUTIVES				
Sales per employee - All employees	91,645	95,768	86,269	90,143
Sales per factory employee	111,023	114,907	105,598	108,565
Sales less material per factory employee	62,385	67,626	61,805	67,409
SALES PER SALESMAN	1,625,260	1,604,569	1,231,085	1,176,328
SALES TO CURRENT ASSETS	399%	355%	411%	346%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	35.22%	33.19%	36.85%	34.26%
Factory payroll percentage of gross plant investment	103.90	65.88	130.68	70.15
Payroll per employee - All employees	$ 29,010	$ 28,333	$ 28,650	$ 27,556
Payroll per factory employee	27,006	25,838	26,330	24,964
Payroll per administrative employee	33,809	37,662	32,940	34,333
Payroll per sales employee	46,952	50,219	44,735	43,998
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 22,957	$ 22,549	$ 22,745	$ 22,012
Payroll per factory employee	21,957	21,237	21,391	20,564
Payroll per administrative employee	17,708	18,312	17,943	19,286
Payroll per sales employee	38,589	39,880	37,753	36,939
EXECUTIVE PAYROLL				
Payroll per executive - All executives	56,611	60,345	54,004	55,165
Payroll per factory executive	39,562	40,609	40,217	39,328
Payroll per administrative executive	73,151	79,449	67,876	63,290
Payroll per sales executive	64,925	66,338	56,623	43,253
RECEIVABLES				
Collection period	59.3	57.6	57.9	58.4
PROFIT				
Gross profit percentage of sales	19.09%	24.33%	20.13%	26.16%
Average gross profit per factory employee	$ 21,400	$ 28,032	$ 21,692	$ 28,835
Income before taxes percentage of sales	5.59%	12.05%	5.09%	12.22%
Average income before taxes per employee	$ 5,036	$ 11,138	$ 4,259	$ 10,558

** Sample insufficient for Profit Leaders.

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 50,886	$ 51,818	$ 60,354	$ 55,110	$ 69,276
64,883	65,384	69,762	63,563	85,842
21,999	27,293	27,142	39,652	39,610
46,429	46,289	62,328	58,722	56,307
136.86%	142.37%	100.33%	173.73%	125.14%
83.40%	84.83%	88.24%	88.77%	84.23%
8.40	6.12	7.15	5.74	11.34
8.20	9.05	4.61	5.49	4.43
$ 92,325	$ 90,922	$ 90,011	$ 95,398	$ 121,887
113,185	110,868	102,237	108,481	145,119
60,967	61,799	54,591	62,497	71,972
1,614,736	2,103,519	1,447,717	1,774,596	1,428,341
97,977	96,552	92,986	98,552	128,358
118,574	116,715	104,441	110,311	150,710
63,627	65,015	55,724	63,570	74,714
1,926,099	1,647,075	3,154,478	4,291,044	2,260,087
380%	352%	364%	400%	431%
33.83%	32.24%	29.21%	33.08%	28.71%
72.99	61.71	44.22	54.38	56.95
$ 29,798	$ 27,807	$ 25,974	$ 31,585	$ 32,687
28,102	25,269	25,634	31,607	30,284
36,308	43,638	23,638	27,344	36,254
49,476	57,478	44,663	39,080	62,372
$ 23,373	$ 21,582	$ 20,861	$ 27,157	$ 26,985
22,824	20,398	20,739	27,377	26,053
17,379	16,511	15,878	16,805	18,277
38,264	40,882	40,497	33,871	55,442
63,471	69,140	37,292	42,616	55,166
40,697	42,047	26,462	41,442	33,183
85,188	105,566	46,443	63,425	74,926
82,186	103,963	32,028	41,687	65,472
60.4	58.9	69.4	50.2	52.1
17.94%	22.36%	16.06%	17.70%	17.88%
$ 21,213	$ 25,865	$ 16,065	$ 19,022	$ 30,197
6.06%	11.24%	7.25%	12.48%	7.09%
$ 5,544	$ 10,089	$ 6,519	$ 11,603	$ 13,289

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $10 TO $20 MILLION	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 2.13	$ 4.12	$ 2.95	$ 5.96
Receivables	15.66	15.22	15.34	15.33
Inventories	7.63	7.39	7.10	7.51
Marketable securities	1.16	2.60	0.89	1.17
Other current assets	1.01	1.22	1.02	1.43
	27.59	30.55	27.30	31.40
Plant Investment:				
Land and building	8.36	7.27	8.17	6.83
Machinery and equipment	31.81	32.90	31.25	32.11
Other fixed assets	1.78	1.51	2.11	1.85
	41.95	41.68	41.53	40.79
Non-Current Assets	3.19	3.07	2.24	0.78
TOTAL INVESTMENT	72.73	75.30	71.07	72.97
INVESTMENT TURNOVER PER $100 OF SALES	137.49%	132.80%	140.71%	137.04%
EARNINGS				
Cost of Product	$80.91	$75.67	$79.87	$73.84
Selling Expenses	6.38	6.64	7.44	7.57
Administrative Expenses	6.11	5.31	6.44	5.78
	93.40	87.62	93.75	87.19
Income Before Interest, Other Income (Expenses), and Taxes	6.60	12.38	6.25	12.81
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.07%	16.44%	8.79%	17.55%

** Sample insufficient for Profit Leaders.

SALES FROM $20 TO $40 MILLION		SALES FROM $40 TO $80 MILLION		SALES FROM $80 TO $160 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 1.26	$ 2.07	$(0.09)	$ 0.27	$ 0.64
16.00	15.70	17.99	13.51	13.62
8.40	6.85	8.49	8.55	8.17
1.79	5.41	0.00	0.00	0.39
0.79	0.36	2.79	5.29	0.73
28.24	30.39	29.18	27.62	23.55
8.12	7.61	13.33	11.36	6.59
30.57	33.38	47.09	41.48	31.04
1.45	0.94	0.72	1.39	1.47
40.14	41.93	61.14	54.23	39.10
4.52	5.78	2.92	2.59	6.99
72.90	78.10	93.24	84.44	69.64
137.17%	128.04%	107.25%	118.43%	143.60%
$82.06	$77.64	$83.94	$82.30	$82.12
5.38	5.81	3.02	3.53	3.50
5.82	5.06	4.54	2.64	6.09
93.26	88.51	91.50	88.47	91.71
6.74	11.49	8.50	11.53	8.29
9.25%	14.71%	9.12%	13.65%	11.90%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	46.66	40.84	49.54	44.70
FACTORY EXPENSES	20.14	18.47	22.97	22.86
TOTAL FACTORY COST OF PRODUCT	66.80	59.31	72.51	67.56
GROSS PROFIT	33.20	40.69	27.49	32.44
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	10.10	7.64	8.76	8.01
Selling expenses	12.52	10.79	6.57	5.73
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	22.62	18.43	15.33	13.74
INCOME BEFORE INTEREST EXPENSE	10.58	22.26	12.16	18.70
Interest expense	3.41	1.56	3.21	2.89
OPERATING INCOME	7.17	20.70	8.95	15.81
Other income	1.06	1.29	2.17	3.11
INCOME BEFORE INCOME TAXES	8.23	21.99	11.12	18.92

** Sample insufficient for Profit Leaders.

NEWSPAPER**	CATALOG AND DIRECTORY		BOOK		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X	X	X	X
X	X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
42.57	45.49	44.93	46.40	43.39	45.66	37.36	46.39
23.89	22.03	20.15	19.55	17.51	19.42	20.05	22.31
66.46	67.52	65.08	65.95	60.90	65.08	57.41	68.70
33.54	32.48	34.92	34.05	39.10	34.92	42.59	31.30
15.23	10.84	5.51	12.38	10.74	9.54	8.61	8.90
4.95	4.42	5.40	10.67	10.99	9.46	10.82	13.88
20.18	15.26	10.91	23.05	21.73	19.00	19.43	22.78
13.36	17.22	24.01	11.00	17.37	15.92	23.16	8.52
4.70	3.09	5.61	1.48	0.72	5.52	5.07	1.68
8.66	14.13	18.40	9.52	16.65	10.40	18.09	6.84
1.56	1.39	1.33	2.29	2.51	0.47	1.07	1.75
10.22	15.52	19.73	11.81	19.16	10.87	19.16	8.59

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.63%	1.64%	2.36%	2.04%
Direct wages	29.73	27.45	30.35	29.34
General factory salaries and wages	5.08	4.17	6.85	4.53
Packing, shipping and delivery wages	1.74	1.42	1.17	0.90
Payroll taxes	2.77	2.29	3.17	2.56
Employee benefits	4.71	3.87	5.64	5.33
TOTAL FACTORY PAYROLL	46.66	40.84	49.54	44.70
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.49	0.31	0.37	0.41
Depreciation - other	5.15	5.14	5.59	6.38
Taxes - real estate	0.45	0.42	0.34	0.32
Taxes - other	0.29	0.11	0.23	0.26
Insurance	0.37	0.32	0.43	0.28
Building rent	0.96	0.95	0.89	0.95
Utilities - heat, light, etc.	2.34	2.23	3.32	2.97
Equipment rental	0.56	0.55	0.76	0.52
Total Fixed Expenses	10.61	10.03	11.93	12.09
Other Expenses				
Factory supplies and expense	3.85	3.92	5.40	5.34
Packing, shipping and delivery expense	1.80	1.58	1.56	1.15
Repairs and maintenance	2.58	2.01	2.63	2.51
Other factory expenses	1.30	0.93	1.45	1.77
Total Other Expenses	9.53	8.44	11.04	10.77
TOTAL FACTORY EXPENSES	20.14	18.47	22.97	22.86
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.18	1.48	1.73	2.04
Salaries - office	2.54	1.63	2.29	1.96
Payroll taxes	0.29	0.18	0.31	0.18
Employee benefits	0.74	0.64	0.72	0.72
Bad debts	0.84	0.50	0.57	0.51
Office supplies and expenses	0.47	0.37	0.61	0.69
Professional fees	0.58	0.51	0.50	0.49
Taxes - business	0.13	0.11	0.07	0.13
Telephone	0.56	0.47	0.43	0.36
Other administrative expenses	1.77	1.75	1.53	0.93
TOTAL ADMINISTRATIVE EXPENSES	10.10	7.64	8.76	8.01
SELLING EXPENSES				
Salaries - executive	1.20	0.99	1.00	1.28
Salaries and commissions - salesmen	6.52	6.20	2.01	1.45
Salaries - sales office clerical	1.16	0.63	1.00	0.44
Payroll taxes	0.33	0.28	0.23	0.09
Employee benefits	0.58	0.48	0.47	0.30
Advertising	0.44	0.21	0.19	0.22
Travel and entertainment	1.15	0.76	0.65	0.54
Other selling expenses	1.14	1.24	1.02	1.41
TOTAL SELLING EXPENSES	12.52	10.79	6.57	5.73

** Sample insufficient for Profit Leaders.

NEWSPAPER**	CATALOG AND DIRECTORY		BOOK		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.68%	1.72%	1.40%	4.36%	4.82%	3.48%	3.15%	1.01%
26.37	29.73	29.48	28.04	24.17	27.71	23.94	29.77
3.85	5.20	5.09	4.56	5.18	2.82	2.16	5.71
4.54	0.40	0.15	1.59	1.84	1.55	1.18	1.34
2.54	2.98	2.85	2.88	2.64	3.13	2.32	2.19
2.59	5.46	5.96	4.97	4.74	6.97	4.61	6.37
42.57	45.49	44.93	46.40	43.39	45.66	37.36	46.39
0.54	0.73	1.03	0.63	0.64	0.54	1.06	0.52
4.36	4.33	4.37	3.66	3.63	3.81	4.32	3.03
0.21	0.62	0.21	0.39	0.52	0.31	0.37	1.25
0.21	0.35	0.04	0.50	0.56	0.09	0.22	0.39
0.47	0.35	0.16	0.63	0.30	0.29	0.13	0.29
0.66	0.40	0.90	0.53	0.48	0.44	0.00	1.43
1.82	2.31	2.36	2.01	2.21	2.28	2.06	1.87
0.26	0.41	0.31	0.49	0.06	0.15	0.01	0.08
8.53	9.50	9.38	8.84	8.40	7.91	8.17	8.86
4.50	3.03	3.64	4.07	3.84	5.63	6.81	3.07
6.55	0.91	1.19	1.73	1.45	2.52	2.59	1.85
3.44	4.05	2.24	2.93	2.19	1.92	2.33	3.74
0.87	4.54	3.70	1.98	1.63	1.44	0.15	4.79
15.36	12.53	10.77	10.71	9.11	11.51	11.88	13.45
23.89	22.03	20.15	19.55	17.51	19.42	20.05	22.31
2.82	1.68	0.89	2.02	2.00	1.74	2.80	1.47
5.41	2.34	1.56	3.66	2.86	2.81	1.24	3.25
0.52	0.23	0.23	0.37	0.30	0.44	0.48	0.32
0.81	0.51	0.57	0.78	0.49	0.61	0.68	0.54
0.40	0.83	1.19	0.97	1.57	0.50	0.85	0.17
0.61	0.21	0.09	0.44	0.45	0.39	0.45	0.18
2.14	2.14	0.09	0.70	0.57	0.45	0.17	0.41
0.48	0.01	0.00	0.46	0.46	0.06	0.05	0.00
0.52	0.32	0.25	0.54	0.45	0.42	0.51	0.51
1.52	2.57	0.64	2.44	1.59	2.12	1.38	2.05
15.23	10.84	5.51	12.38	10.74	9.54	8.61	8.90
0.32	0.17	0.22	0.97	1.08	1.43	1.84	2.43
1.47	2.64	3.83	3.46	3.55	3.91	6.00	3.82
0.48	0.30	0.11	2.44	2.50	1.13	1.08	1.46
0.12	0.13	0.20	0.39	0.35	0.24	0.14	0.33
0.17	0.21	0.26	0.65	0.61	0.41	0.46	0.68
1.15	0.24	0.32	0.24	0.38	0.09	0.02	1.13
0.92	0.23	0.24	1.14	1.03	1.00	0.86	1.69
0.32	0.50	0.22	1.38	1.49	1.25	0.42	2.34
4.95	4.42	5.40	10.67	10.99	9.46	10.82	13.88

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	27.34	26.05	26.92	24.48
Other chargeable materials	6.57	6.08	8.24	8.79
Outside services	8.66	8.05	3.76	4.07
TOTAL MATERIAL	42.57	40.18	38.92	37.34
FACTORY PAYROLL	26.67	24.47	30.03	27.86
FACTORY EXPENSES	11.47	11.09	14.07	14.36
TOTAL FACTORY COST OF PRODUCT	80.71	75.74	83.02	79.56
GROSS PROFIT	19.29	24.26	16.98	20.44
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	5.91	4.64	5.39	4.97
Selling expenses	7.31	6.59	4.04	3.72
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	13.22	11.23	9.43	8.69
INCOME BEFORE INTEREST EXPENSE	6.07	13.03	7.55	11.75
Interest expense	1.87	0.95	2.01	1.86
OPERATING INCOME	4.20	12.08	5.54	9.89
Other income	0.61	0.75	1.31	1.90
INCOME BEFORE INCOME TAXES	4.81	12.83	6.85	11.79

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	3.47%	4.29%	5.41%	6.06%
Film	0.68	0.44	0.92	0.91
Plates	0.93	0.87	0.96	0.69
Other chargeable materials	1.49	0.48	0.95	1.13
TOTAL OTHER CHARGEABLE MATERIALS	6.57	6.08	8.24	8.79
OUTSIDE SERVICES				
Composition	0.61	0.76	0.17	0.09
Offset preparation	1.85	1.56	1.16	0.47
Printing	0.89	0.94	0.91	1.64
Binding	3.35	3.28	0.45	0.52
Other outside services	1.96	1.51	1.07	1.35
TOTAL OUTSIDE SERVICES	8.66	8.05	3.76	4.07

** Sample insufficient for Profit Leaders.

NEWSPAPER**	CATALOG AND DIRECTORY		BOOK		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
40.02	42.79	36.17	25.65	21.09	36.14	38.47	28.62
6.69	6.60	5.45	7.33	10.00	4.58	3.86	2.17
4.55	1.87	0.96	4.10	2.23	3.71	1.60	8.98
51.26	51.26	42.58	37.08	33.32	44.43	43.93	39.77
19.53	22.59	27.34	29.07	28.96	25.38	20.84	27.77
12.09	10.50	11.05	12.10	11.60	10.74	11.13	13.71
82.88	84.35	80.97	78.25	73.88	80.55	75.90	81.25
17.12	15.65	19.03	21.75	26.12	19.45	24.10	18.75
8.51	5.07	2.98	7.75	7.14	5.36	4.82	5.55
2.78	2.30	3.44	6.70	7.33	5.26	6.16	8.66
11.29	7.37	6.42	14.45	14.47	10.62	10.98	14.21
5.83	8.28	12.61	7.30	11.65	8.83	13.12	4.54
2.05	1.32	2.35	0.87	0.46	3.03	2.86	0.99
3.78	6.96	10.26	6.43	11.19	5.80	10.26	3.55
0.65	0.74	0.92	1.47	1.71	0.25	0.54	1.10
4.43	7.70	11.18	7.90	12.90	6.05	10.80	4.65

5.11%	1.30%	0.54%	0.32%	0.33%	3.19%	1.89%	1.63%
0.32	0.86	1.23	2.29	2.74	0.27	0.54	0.00
0.98	0.80	0.52	1.88	1.78	0.61	0.56	0.39
0.28	3.64	3.16	2.84	5.15	0.51	0.87	0.15
6.69	6.60	5.45	7.33	10.00	4.58	3.86	2.17
4.55	0.00	0.00	0.24	0.20	0.82	0.01	0.05
0.00	0.21	0.19	0.12	0.00	0.53	0.32	0.55
0.00	0.80	0.00	0.48	0.64	0.89	0.88	1.09
0.00	0.86	0.77	2.75	0.24	1.15	0.38	0.17
0.00	0.00	0.00	0.51	1.15	0.32	0.01	7.12
4.55%	1.87	0.96	4.10	2.23	3.71	1.60	8.98

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.52%	0.95%	1.41%	1.25%
Direct wages	16.95	16.46	18.45	18.45
General factory salaries and wages	2.89	2.49	4.13	2.75
Packing, shipping and delivery wages	1.01	0.87	0.72	0.57
Payroll taxes	1.59	1.42	1.94	1.63
Employee benefits	2.71	2.28	3.38	3.21
TOTAL FACTORY PAYROLL	26.67	24.47	30.03	27.86
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.28	0.18	0.23	0.26
Depreciation - other	2.93	3.08	3.44	4.00
Taxes - real estate	0.25	0.23	0.20	0.20
Taxes - other	0.17	0.06	0.15	0.17
Insurance	0.22	0.20	0.25	0.17
Building rent	0.55	0.60	0.54	0.62
Utilities - heat, light, etc.	1.33	1.28	2.02	1.86
Equipment rental	0.34	0.33	0.44	0.33
Total Fixed Expenses	6.07	5.96	7.27	7.61
Other Expenses				
Factory supplies and expense	2.16	2.30	3.34	3.41
Packing, shipping and delivery expense	1.04	1.00	0.96	0.72
Repairs and maintenance	1.45	1.22	1.60	1.54
Other factory expenses	0.75	0.61	0.90	1.08
Total Other Expenses	5.40	5.13	6.80	6.75
TOTAL FACTORY EXPENSES	11.47	11.09	14.07	14.36
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.28	0.87	1.09	1.31
Salaries - office	1.48	0.98	1.38	1.16
Payroll taxes	0.17	0.11	0.19	0.11
Employee benefits	0.44	0.38	0.45	0.46
Bad debts	0.47	0.27	0.34	0.32
Office supplies and expenses	0.28	0.23	0.35	0.40
Professional fees	0.34	0.33	0.32	0.32
Taxes - business	0.08	0.07	0.05	0.08
Telephone	0.32	0.29	0.26	0.22
Other administrative expenses	1.05	1.11	0.96	0.59
TOTAL ADMINISTRATIVE EXPENSES	5.91	4.64	5.39	4.97
SELLING EXPENSES				
Salaries - executive	0.71	0.61	0.62	0.84
Salaries and commissions - salesmen	3.79	3.73	1.23	0.91
Salaries - sales office clerical	0.65	0.38	0.59	0.28
Payroll taxes	0.20	0.18	0.14	0.06
Employee benefits	0.35	0.30	0.29	0.19
Advertising	0.26	0.13	0.11	0.14
Travel and entertainment	0.67	0.47	0.40	0.35
Other selling expenses	0.68	0.79	0.66	0.95
TOTAL SELLING EXPENSES	7.31	6.59	4.04	3.72

** Sample insufficient for Profit Leaders.

NEWSPAPER**	CATALOG AND DIRECTORY		BOOK		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
1.02%	0.72%	0.65%	2.71%	3.17%	1.97%	1.79%	0.63%
12.08	14.65	17.64	17.53	16.14	15.38	13.31	17.18
1.89	2.76	3.59	2.90	3.51	1.56	1.21	3.79
1.98	0.18	0.11	1.00	1.22	0.85	0.66	0.84
1.19	1.48	1.74	1.80	1.75	1.75	1.29	1.43
1.37	2.80	3.61	3.13	3.17	3.87	2.58	3.90
19.53	22.59	27.34	29.07	28.96	25.38	20.84	27.77
0.29	0.35	0.54	0.39	0.43	0.30	0.59	0.35
2.04	2.07	2.36	2.30	2.41	2.12	2.40	1.84
0.10	0.30	0.12	0.25	0.35	0.17	0.21	0.74
0.11	0.14	0.02	0.31	0.37	0.05	0.12	0.26
0.22	0.16	0.10	0.38	0.20	0.16	0.07	0.19
0.29	0.26	0.65	0.32	0.31	0.24	0.00	0.79
0.91	1.08	1.23	1.26	1.46	1.27	1.15	1.17
0.14	0.20	0.21	0.28	0.04	0.09	0.00	0.05
4.10	4.56	5.23	5.49	5.57	4.40	4.54	5.39
2.21	1.49	2.24	2.50	2.51	3.09	3.74	1.85
3.92	0.43	0.61	1.06	0.97	1.41	1.46	1.22
1.52	1.94	1.30	1.79	1.47	1.06	1.30	2.33
0.34	2.08	1.67	1.26	1.08	0.78	0.09	2.92
7.99	5.94	5.82	6.61	6.03	6.34	6.59	8.32
12.09	10.50	11.05	12.10	11.60	10.74	11.13	13.71
1.33	0.72	0.45	1.25	1.32	0.96	1.56	0.91
3.30	1.15	0.94	2.28	1.90	1.61	0.69	2.04
0.32	0.11	0.15	0.23	0.20	0.24	0.27	0.21
0.49	0.24	0.31	0.49	0.33	0.34	0.38	0.34
0.22	0.38	0.53	0.65	1.07	0.28	0.48	0.09
0.29	0.10	0.07	0.28	0.30	0.22	0.25	0.11
1.26	1.01	0.04	0.43	0.38	0.25	0.09	0.27
0.23	0.00	0.00	0.29	0.30	0.03	0.03	0.00
0.25	0.16	0.18	0.33	0.30	0.24	0.29	0.34
0.82	1.20	0.31	1.52	1.04	1.19	0.78	1.24
8.51	5.07	2.98	7.75	7.14	5.36	4.82	5.55
0.15	0.09	0.15	0.60	0.70	0.79	1.03	1.41
0.71	1.44	2.47	2.18	2.40	2.22	3.45	2.40
0.31	0.13	0.07	1.52	1.65	0.61	0.61	0.89
0.07	0.07	0.13	0.24	0.23	0.13	0.08	0.22
0.10	0.11	0.16	0.41	0.41	0.22	0.26	0.42
0.77	0.12	0.19	0.16	0.26	0.05	0.01	0.75
0.48	0.12	0.16	0.72	0.70	0.55	0.48	1.11
0.19	0.22	0.11	0.87	0.98	0.69	0.24	1.46
2.78	2.30	3.44	6.70	7.33	5.26	6.16	8.66

BALANCE SHEET

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	3.21%	6.80%	4.87%	8.77%
Receivables	30.66	29.31	25.93	18.14
Inventories	14.54	11.73	13.70	10.99
Other current assets	3.83	5.92	5.33	8.97
TOTAL CURRENT ASSETS	52.24	53.76	49.83	46.87
FIXED ASSETS				
Real estate	13.26	9.53	14.92	9.31
Less: Accumulated depreciation	3.70	1.69	4.74	2.50
	9.56	7.84	10.18	6.81
Machinery and equipment	57.50	60.11	72.09	66.41
Less: Accumulated depreciation	26.41	27.53	37.30	27.71
	31.09	32.58	34.79	38.70
Other fixed assets	3.72	3.73	3.08	1.00
Less: Accumulated depreciation	1.90	1.94	1.55	0.52
	1.82	1.79	1.53	0.48
NET FIXED ASSETS	42.47	42.21	46.50	45.99
OTHER ASSETS	5.29	4.03	3.67	7.14
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	8.00	2.43	3.83	5.12
Accounts payable	13.34	10.73	11.73	8.69
Other current liabilities	11.29	13.75	8.66	6.51
TOTAL CURRENT LIABILITIES	32.63	26.91	24.22	20.32
LONG-TERM LIABILITIES	24.25	18.00	28.31	26.41
TOTAL LIABILITIES	56.88	44.91	52.53	46.73
SHAREHOLDERS' AND PROPRIETORS' EQUITY	43.12	55.09	47.47	53.27
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.60	2.00	2.06	2.31
QUICK RATIO	1.16	1.56	1.49	1.77
TOTAL LIABILITIES TO EQUITY	1.32	0.82	1.11	0.88
LONG-TERM LIABILITIES TO EQUITY	0.56	0.33	0.60	0.50
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.46	0.46	0.52	0.42

** Sample insufficient for Profit Leaders.

NEWSPAPER**	CATALOG AND DIRECTORY		BOOK		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
5.26%	1.56%	13.51%	1.97%	1.44%	4.24%	10.56%	5.74%
33.76	28.05	33.32	35.33	35.73	23.39	16.50	29.11
10.71	15.88	19.04	13.55	11.28	17.31	10.03	34.07
0.60	2.27	0.02	3.41	5.17	0.46	0.21	1.12
50.33	47.76	65.89	54.26	53.62	45.40	37.30	70.04
15.44	15.36	12.18	24.77	25.03	21.43	29.52	17.25
3.44	4.91	3.53	7.08	8.24	4.99	3.46	8.92
12.00	10.45	8.65	17.69	16.79	16.44	26.06	8.33
46.33	60.93	51.90	47.68	45.99	45.05	43.03	49.52
18.18	24.71	28.83	27.49	26.67	20.48	10.59	30.25
28.15	36.22	23.07	20.19	19.32	24.57	32.44	19.27
3.46	1.00	1.46	2.46	2.18	2.23	3.79	3.04
1.87	0.32	0.42	1.35	0.94	0.81	0.70	1.48
1.59	0.68	1.04	1.11	1.24	1.42	3.09	1.56
41.74	47.35	32.76	38.99	37.35	42.43	61.59	29.16
7.93	4.89	1.35	6.75	9.03	12.17	1.11	0.80
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
10.08	1.55	0.00	4.86	2.92	2.73	3.67	1.54
14.48	10.12	12.97	14.77	7.65	9.00	2.35	9.72
5.01	6.70	9.08	9.38	10.93	16.22	9.31	11.69
29.57	18.37	22.05	29.01	21.50	27.95	15.33	22.95
31.82	28.00	1.39	17.40	14.36	40.28	50.03	14.46
61.39	46.37	23.44	46.41	35.86	68.23	65.36	37.41
38.61	53.63	76.56	53.59	64.14	31.77	34.64	62.59
100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

1.70	2.60	2.99	1.87	2.49	1.62	2.43	3.05
1.34	1.74	2.12	1.40	1.97	1.01	1.78	1.57
1.59	0.86	0.31	0.87	0.56	2.15	1.89	0.60
0.82	0.52	0.02	0.32	0.22	1.27	1.44	0.23
0.39	0.41	0.56	0.58	0.58	0.45	0.25	0.61

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 49,898	$ 57,996	$ 40,792	$ 53,539
Average assets per factory employee (Excluding Executives)	63,753	70,849	47,908	61,689
Average net worth per employee - All employees	21,281	31,649	19,869	29,764
Average gross plant investment per factory employee (Excluding Executives)	46,621	52,078	40,945	46,200
Net worth percentage of fixed assets	108.09%	139.09%	116.04%	128.43%
EMPLOYEES				
Percent factory - All employees	82.05%	84.76%	88.15%	90.46%
Percent administrative - All employees	8.38	6.20	7.16	6.28
Percent sales - All employees	9.57	9.04	4.69	3.26
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 93,907	$ 108,087	$ 75,148	$ 78,633
Sales per factory employee	115,495	128,617	85,756	87,764
Sales less material per factory employee	64,850	74,479	51,718	53,787
Sales per administrative employee	1,508,688	2,239,723	1,176,525	1,348,615
EXCLUDING EXECUTIVES				
Sales per employee - All employees	99,209	112,711	78,790	82,510
Sales per factory employee	120,231	132,178	88,733	90,612
Sales less material per factory employee	67,511	76,468	53,455	55,480
SALES PER SALESMAN	1,186,133	1,287,514	3,538,010	3,254,832
SALES TO CURRENT ASSETS	409%	368%	423%	349%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	35.75%	32.01%	36.01%	33.18%
Factory payroll percentage of gross plant investment	138.48	67.87	69.67	56.62
Payroll per employee - All employees	$ 32,038	$ 32,699	$ 26,679	$ 25,834
Payroll per factory employee	29,336	29,862	25,584	24,111
Payroll per administrative employee	37,129	42,750	32,678	38,933
Payroll per sales employee	53,297	59,148	48,249	49,889
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 25,607	$ 26,637	$ 20,745	$ 19,753
Payroll per factory employee	24,037	24,895	20,667	19,428
Payroll per administrative employee	18,549	20,061	17,120	17,891
Payroll per sales employee	45,434	51,515	35,594	29,010
EXECUTIVE PAYROLL				
Payroll per executive - All executives	61,699	59,434	58,558	70,286
Payroll per factory executive	42,428	42,245	37,772	42,660
Payroll per administrative executive	83,664	82,548	76,531	98,304
Payroll per sales executive	71,753	69,311	71,752	87,614
RECEIVABLES				
Collection period	61.5	58.5	49.7	45.3
PROFIT				
Gross profit percentage of sales	19.29%	24.26%	16.98%	20.44%
Average gross profit per factory employee	$ 23,458	$ 31,645	$ 14,556	$ 18,024
Income before taxes percentage of sales	4.81%	12.83%	6.85%	11.79%
Average income before taxes per employee	$ 5,040	$ 14,403	$ 5,134	$ 9,086

** Sample insufficient for Profit Leaders.

NEWSPAPER**	CATALOG AND DIRECTORY		BOOK		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 62,064	$ 75,972	$ 50,864	$ 31,681	$ 33,994	$ 53,936	$ 59,221	$ 33,433
81,282	90,636	57,835	42,048	44,477	71,034	76,284	41,100
21,870	34,477	38,527	17,406	21,859	16,753	19,555	22,204
54,514	71,216	39,699	30,698	31,390	47,936	58,453	24,467
114.40%	134.39%	247.34%	160.77%	202.80%	100.62%	66.42%	243.56%
78.55%	88.42%	91.22%	80.77%	81.95%	81.94%	83.52%	81.22%
17.56	7.22	5.28	10.87	8.18	9.27	7.18	7.48
3.89	4.36	3.50	8.36	9.87	8.79	9.30	11.30
$ 115,988	$ 98,977	$ 101,896	$ 58,727	$ 57,431	$ 78,844	$ 77,744	$ 70,835
145,397	113,459	111,732	73,229	70,130	96,907	93,609	86,607
69,507	52,081	55,592	46,256	46,910	53,949	52,639	50,665
1,161,201	1,486,220	1,856,144	663,947	721,873	1,237,723	1,083,001	1,038,642
125,122	103,610	106,906	63,255	62,295	85,903	85,275	73,669
152,889	116,498	115,991	77,965	75,169	103,106	99,578	87,337
72,344	53,333	57,404	49,165	50,170	57,475	56,052	51,087
1,511,808	1,930,277	1,170,523	1,406,695	1,174,936	1,345,643	597,047	1,171,691
399%	322%	301%	357%	332%	394%	404%	328%
26.30%	26.65%	32.18%	38.28%	38.10%	32.49%	29.16%	36.61%
60.27	48.85	83.22	76.08	71.89	63.23	36.54	98.55
$ 29,323	$ 23,688	$ 25,197	$ 22,376	$ 21,634	$ 25,715	$ 22,665	$ 25,014
28,576	22,468	23,538	21,275	20,108	24,608	19,243	23,679
31,773	29,469	30,984	24,859	26,310	27,481	31,204	28,781
36,815	36,747	57,975	36,504	32,221	36,856	43,571	31,358
$ 24,115	$ 18,387	$ 19,589	$ 17,315	$ 16,510	$ 19,161	$ 16,983	$ 19,654
24,436	17,736	18,478	16,738	15,526	18,299	14,686	19,192
16,648	17,666	17,139	15,500	16,227	15,140	11,375	20,530
31,654	32,744	52,222	28,951	25,791	29,200	34,976	21,588
52,724	32,928	49,119	42,486	43,426	37,129	41,983	57,940
46,864	28,711	45,249	34,020	44,638	34,124	32,395	62,094
65,223	38,650	62,255	51,956	56,008	38,932	47,873	48,683
60,591	24,802	44,050	57,046	56,176	48,836	52,553	61,323
63.0	75.5	65.1	70.9	77.9	50.8	46.0	48.9
17.12%	15.65%	19.03%	21.75%	26.12%	19.45%	24.10%	18.75%
$ 24,819	$ 18,401	$ 21,116	$ 17,357	$ 20,081	$ 20,381	$ 25,014	$ 16,105
4.43%	7.70%	11.18%	7.90%	12.90%	6.05%	10.80%	4.65%
$ 5,320	$ 7,370	$ 10,130	$ 4,946	$ 7,848	$ 4,704	$ 8,452	$ 4,086

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING		MAGAZINE AND PERIODICAL	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.93	$ 3.91	$ 3.21	$ 6.57
Receivables	16.26	15.54	13.00	11.91
Inventories	6.84	6.27	6.85	7.37
Marketable securities	1.10	1.88	1.80	5.00
Other current assets	1.13	1.69	1.27	1.67
	27.26	29.29	26.13	32.52
Plant Investment:				
Land and building	7.35	5.24	7.78	6.16
Machinery and equipment	30.57	32.07	37.67	44.71
Other fixed assets	1.99	2.15	1.37	0.62
	39.91	39.46	46.82	51.49
Non-Current Assets	3.01	2.29	2.23	4.72
TOTAL INVESTMENT	70.18	71.04	75.18	88.73
INVESTMENT TURNOVER PER $100 OF SALES	142.49%	140.77%	133.01%	112.70%
EARNINGS				
Cost of Product	$80.71	$75.74	$83.02	$79.56
Selling Expenses	7.31	6.59	4.04	3.72
Administrative Expenses	5.91	4.64	5.39	4.97
	93.93	86.97	92.45	88.25
Income Before Interest, Other Income, and Taxes	6.07	13.03	7.55	11.75
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.65%	18.34%	10.04%	13.24%

** Sample insufficient for Profit Leaders.

NEWSPAPER**	CATALOG AND DIRECTORY		BOOK		LABEL		PACKAGING**
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 2.81	$(0.10)	$ 7.38	$ 1.00	$ 0.79	$ 3.01	$ 7.65	$ 2.29
16.94	20.08	17.11	18.50	20.19	13.74	12.35	13.28
5.37	11.07	9.63	7.09	6.55	9.74	7.52	16.44
0.06	0.19	0.00	2.00	3.54	0.00	0.00	0.00
0.24	1.73	0.01	0.42	0.37	0.24	0.15	0.45
25.42	32.97	34.13	29.01	31.44	26.73	27.67	32.46
8.41	11.76	6.16	13.67	14.73	14.99	22.49	6.90
25.82	47.68	26.62	24.91	25.49	29.34	32.65	22.16
1.76	0.77	0.74	1.19	1.19	1.58	2.94	1.21
35.99	60.21	33.52	39.77	41.41	45.91	58.08	30.27
4.71	5.03	0.72	4.58	6.82	11.04	0.81	0.32
66.12	98.21	68.37	73.36	79.67	83.68	86.56	63.05
151.24%	101.82%	146.26%	136.31%	125.52%	119.50%	115.53%	158.60%
$82.88	$84.35	$80.97	$78.25	$73.88	$80.55	$75.90	$81.25
2.78	2.30	3.44	6.70	7.33	5.26	6.16	8.66
8.51	5.07	2.98	7.75	7.14	5.36	4.82	5.55
94.17	91.72	87.39	92.70	88.35	91.17	86.88	95.46
5.83	8.28	12.61	7.30	11.65	8.83	13.12	4.54
8.82%	8.43%	18.44%	9.95%	14.62%	10.55%	15.16%	7.20%

A B S O L U T E D A T A

		AVERAGE FIRM REPORTING**		
	NUMBER OF PARTICIPATING FIRMS	TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	127	$13,622,000	$ 24,605,000	$1,461,000
TOTAL - PROFIT LEADERS*	39	13,258,000	23,019,000	2,923,000
BY SIZE OF FIRM				
ALL FIRMS				
$10,000,000-$20,000,000	72	7,500,000	14,200,000	724,000
$20,000,000-$40,000,000	45	15,346,000	27,874,000	1,643,000
$40,000,000-$80,000,000	6	34,874.000	52,293,000	3,783,000
$80,000,000-$160,000,000	3	63,333,000	108,677,000	7,996,000
PROFIT LEADERS				
$10,000,000-$20,000,000	22	8,116,000	14,271,000	1,749,000
$20,000,000-$40,000,000	14	15,157,000	25,488,000	2,882,000
$40,000,000-$80,000,000	2	32,736,000	56,634,000	6,899,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	64	11,938,000	22,194,000	1,219,000
Magazine and Periodical	26	17,588,000	33,200,000	2,303,000
Newspaper	4	13,604,000	25,706,000	1,172,000
Catalog and Directory	6	29,373,000	39,865,000	2,432,000
Book	9	10,210,000	17,816,000	1,430,000
Label	5	12,298,000	16,432,000	899,000
Packaging	2	5,406,000	11,822,000	559,000
PROFIT LEADERS				
Commercial and Advertising	17	13,420,000	25,044,000	3,470,000
Magazine and Periodical	9	18,547,000	28,546,000	3,386,000
Catalog and Directory	2	7,858,000	14,993,000	1,788,000
Book	5	11,660,000	18,784,000	2,419,000
Label	2	10,589,000	13,910,000	1,509,000

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 35.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2%	divided by 3 = 20.7%

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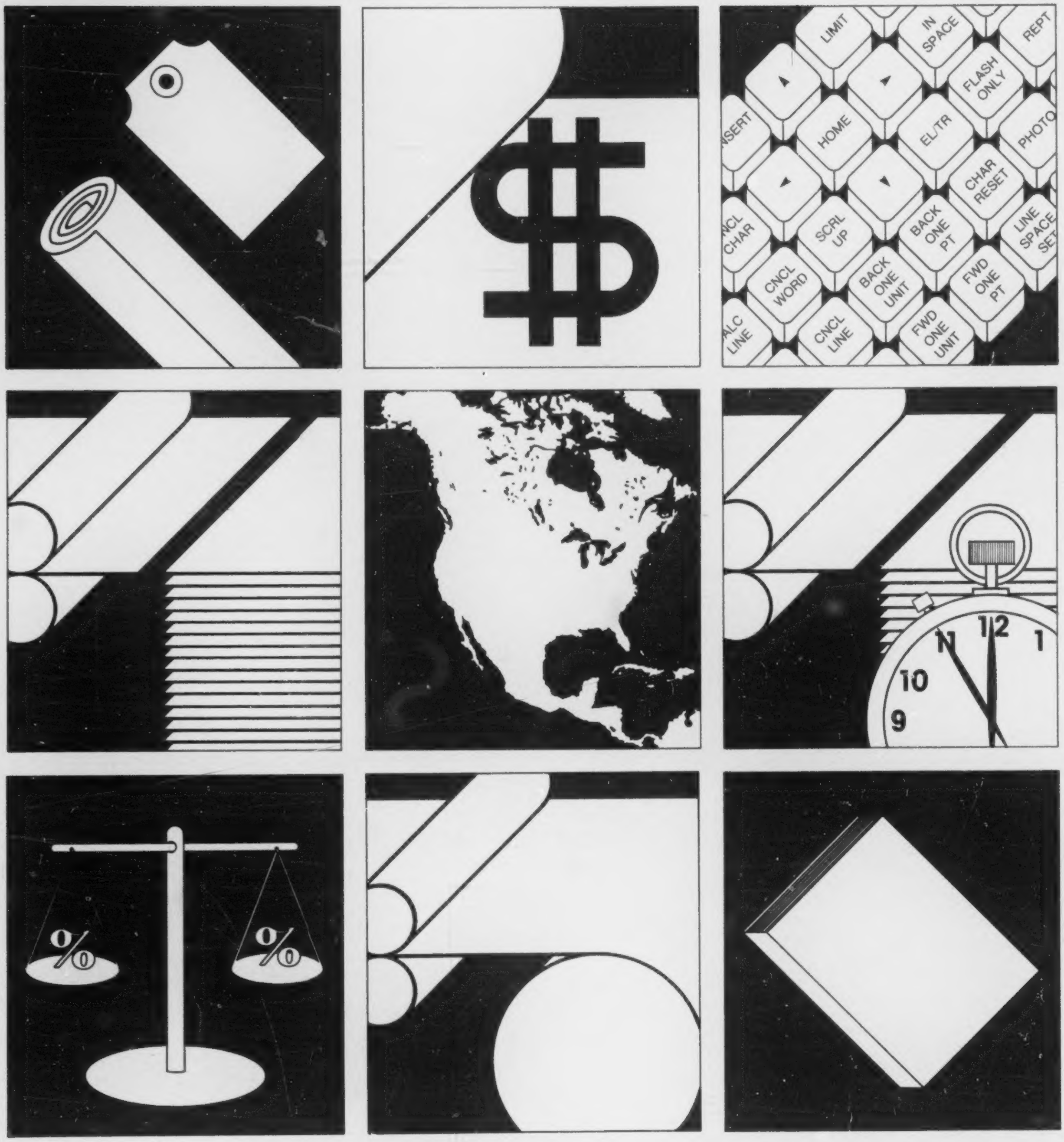
1983 Financial Ratios

Printing Industries of America, Inc.


LIMIT
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Volume XI

Typographers' Ratios

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management
  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

TYPOGRAPHERS

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PRINTING INDUSTRIES OF AMERICA, INC.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

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Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices.
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1983 PIA FINANCIAL RATIOS FOR TYPOGRAPHERS who participated in the 1983 Ratio Studies. This Ratio Study was developed on the basis of questionnaires volunteered by 21 firms and presents the ratios and statistics of typographers by sales volume and market.

Thus, the user of the report can direct himself to the standards for his sales size - for example, sales to $500,000, sales from $500,000 to $1,500,000, etc.; and market - for example, Printers and Lithographers, Advertising Agencies, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H. R. Margolis Company

H. R. MARGOLIS COMPANY

1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts-community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Jim Olsen
Vice-President
Management Services
Printing Industries of America, Inc.
1730 North Lynn Street
Arlington, VA 22209 — (703) 841-8139

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The National Composition Association, a special industry group of PIA, represents over 750 firms in the typesetting industry.

NCA provides extensive technical and managerial information on photocomposition, word processing, computers and pre-press systems. NCA Reports, a three-ring updatable binder of over 250 pages of information, is issued to all members and kept up-to-date with supplements. Type-X, the NCA Annual Convention and trade show is a unique opportunity to study the technology of photocomposition intently with both seminar and hands-on demonstrations. NCA NewsLine, a monthly newsletter, briefly and concisely summarizes industry developments. An Annual Awards Competition, the Typographic Excellence Awards Competition, recognizes outstanding examples of production excellence. The NCA library of publications and cassette tapes now contain over 100 titles on all facets of typesetting. To evaluate production efficiency with industry averages, NCA has introduced Benchmark Reports, a standardized text, with a computerized tabulation program. NCA Seminars are noted for in-depth presentation by knowledgeable and authoritative speakers. The NCA Research and Education Fund has been established to work in those areas that are important to the industry, but have no prospect of generating revenues to off-set costs.

NCA is governed by its own Board of Directors and Officers and is a self-supporting contributor to the efforts of the Printing Industries of America and its affiliated local organizations. We are pleased to endorse the PIA Ratio Reports and encourage participation in this vital program.

Wade B. Dowdle, CAE
President
National Composition Association
(703) 841-8165

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	0.89	0.00	0.43
Other chargeable materials	6.83	2.58	12.50
Outside services	2.72	0.39	0.72
TOTAL MATERIAL	10.44	2.97	13.65
FACTORY PAYROLL	41.92	48.08	37.83
FACTORY EXPENSES	17.84	15.79	20.14
TOTAL FACTORY COST OF PRODUCT	70.20	66.84	71.62
GROSS PROFIT	29.80	33.16	28.38
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	17.05	10.84	27.16
Selling expenses	10.62	11.58	6.89
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	27.67	22.42	34.05
INCOME (LOSS) BEFORE INTEREST EXPENSE	2.13	10.74	(5.67)
Interest expense	2.91	1.56	3.30
OPERATING INCOME (LOSS)	(0.78)	9.18	(8.97)
Other income (expense)	0.59	0.80	1.86
INCOME (LOSS) BEFORE INCOME TAXES	(0.19)	9.98	(7.11)

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
OTHER CHARGEABLE MATERIALS			
Ink	0.13%	0.00%	0.00%
Film	5.76	2.58	0.00
Plates	0.16	0.00	0.00
Other chargeable materials	0.78	0.00	12.50
TOTAL OTHER CHARGEABLE MATERIALS	6.83	2.58	12.50
OUTSIDE SERVICES			
Composition	0.58		0.20
Offset preparation	0.57		0.00
Printing	0.99		0.00
Binding	0.22		0.00
Other outside services	0.36		0.52
TOTAL OUTSIDE SERVICES	2.72	***	0.72

* "Profit Leaders" are those firms wihich earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.
*** Information not submitted.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
0.66	0.00	0.00	3.56
3.71	2.58	9.91	2.63
3.97	0.39	1.20	4.33
8.34	2.97	11.11	10.52
39.02	48.08	48.10	49.15
19.34	15.79	12.82	16.25
66.70	66.84	72.03	75.92
33.30	33.16	27.97	24.08
14.80	10.84	13.65	11.47
11.95	11.58	10.53	12.94
26.75	22.42	24.18	24.41
6.55	10.74	3.79	(0.33)
1.89	1.56	4.28	3.50
4.66	9.18	(0.49)	(3.83)
(0.08)	0.80	1.53	(0.79)
4.58	9.98	1.04	(4.62)

0.00%	0.00%	0.00%	0.13%
3.71	2.58	9.91	2.16
0.00	0.00	0.00	0.16
0.00	0.00	0.00	0.18
3.71	2.58	9.91	2.63
0.17		0.00	2.26
1.35		0.00	0.41
2.37		0.40	0.34
0.00		0.00	1.06
0.08		0.80	0.26
3.97	***	1.20	4.33

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.04%	4.56%	1.07%
Direct wages	28.45	27.83	30.35
General factory salaries and wages	3.62	8.46	1.13
Packing, shipping and delivery wages	0.79	0.74	0.18
Payroll taxes	2.90	3.66	3.16
Employee benefits	3.12	2.83	1.94
TOTAL FACTORY PAYROLL	41.92	48.08	37.83
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.62	0.41	0.65
Depreciation - other	4.97	3.70	8.71
Taxes - real estate	0.13	0.38	0.08
Taxes - other	0.13	0.05	0.31
Insurance	0.84	0.80	1.34
Building rent	1.56	0.40	1.76
Utilities - heat, light, etc.	1.07	1.09	1.41
Equipment rental	1.84	0.00	1.97
Total Fixed Expenses	11.16	6.83	16.23
Other Expenses			
Factory supplies and expense	2.34	4.56	0.65
Packing, shipping and delivery expense	1.77	1.23	0.95
Repairs and maintenance	2.21	2.86	1.89
Other factory expenses	0.36	0.31	0.42
Total Other Expenses	6.68	8.96	3.91
TOTAL FACTORY EXPENSES	17.84	15.79	20.14
ADMINISTRATIVE EXPENSES			
Salaries - executive	5.98	3.55	9.67
Salaries - office	3.17	3.11	5.43
Payroll taxes	0.76	0.49	1.56
Employee benefits	0.78	0.68	0.95
Bad debts	0.30	0.11	0.23
Office supplies and expenses	0.84	1.37	1.28
Professional fees	1.24	0.43	1.95
Taxes - business	0.37	0.03	0.63
Telephone	0.89	0.64	1.30
Other administrative expenses	2.72	0.43	4.16
TOTAL ADMINISTRATIVE EXPENSES	17.05	10.84	27.16
SELLING EXPENSES			
Salaries - executive	2.23	0.00	3.38
Salaries and commissions - salesmen	3.72	7.34	0.98
Salaries - sales office clerical	0.67	0.59	0.00
Payroll taxes	0.36	0.62	0.34
Employee benefits	0.42	0.35	0.12
Advertising	0.94	0.76	0.93
Travel and entertainment	1.71	0.71	0.85
Other selling expenses	0.57	1.21	0.29
TOTAL SELLING EXPENSES	10.62	11.58	6.89

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
4.37%	4.56%	3.13%	2.19%
24.10	27.83	32.70	32.66
4.30	8.46	3.90	5.35
0.96	0.74	1.43	0.45
2.40	3.66	3.24	3.53
2.89	2.83	3.70	4.97
39.02	48.08	48.10	49.15
0.09	0.41	2.02	0.29
4.58	3.70	1.48	4.58
0.08	0.38	0.19	0.27
0.05	0.05	0.03	0.26
0.66	0.80	0.89	0.45
1.95	0.40	0.83	1.05
0.89	1.09	0.80	1.39
2.66	0.00	1.08	0.16
10.96	6.83	7.32	8.45
3.35	4.56	0.72	4.36
1.84	1.23	3.22	0.99
2.89	2.86	1.35	1.82
0.30	0.31	0.21	0.63
8.38	8.96	5.50	7.80
19.34	15.79	12.82	16.25
6.23	3.55	3.68	2.20
2.25	3.11	2.87	2.58
0.53	0.49	0.56	0.40
0.55	0.68	1.09	0.76
0.38	0.11	0.18	0.33
0.76	1.37	0.66	0.56
1.12	0.43	0.85	0.91
0.38	0.03	0.26	0.04
0.75	0.64	0.63	1.01
1.85	0.43	2.87	2.68
14.80	10.84	13.65	11.47
1.39	0.00	2.52	2.39
5.04	7.34	4.40	3.44
0.40	0.59	0.57	2.72
0.34	0.62	0.26	0.57
0.36	0.35	0.29	1.23
1.40	0.76	0.45	0.25
2.15	0.71	1.97	1.50
0.87	1.21	0.07	0.34
11.95	11.58	10.53	12.94

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	9.09%	9.48%	15.93%
Receivables	34.72	26.14	27.01
Inventories	5.79	3.85	3.07
Other current assets	6.38	24.89	5.02
TOTAL CURRENT ASSETS	55.98	64.36	51.03
FIXED ASSETS			
Real estate	8.39	9.95	10.45
Less: Accumulated depreciation	1.07	1.21	0.51
	7.32	8.74	9.94
Machinery and equipment	62.99	36.41	69.92
Less: Accumulated depreciation	37.46	15.23	40.40
	25.53	21.18	29.52
Other fixed assets	14.39	7.82	14.45
Less: Accumulated depreciation	6.70	3.57	8.05
	7.69	4.25	6.40
NET FIXED ASSETS	40.54	34.17	45.86
OTHER ASSETS	3.48	1.47	3.11
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	9.28	8.31	4.85
Accounts payable	8.42	3.87	4.66
Other current liabilities	11.72	15.29	5.05
TOTAL CURRENT LIABILITIES	29.42	27.47	14.56
LONG-TERM LIABILITIES	29.49	20.05	39.26
TOTAL LIABILITIES	58.91	47.52	53.82
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.09	52.48	46.18
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.90	2.34	3.50
QUICK RATIO	1.71	2.20	3.29
TOTAL LIABILITIES TO EQUITY	1.43	0.91	1.17
LONG-TERM LIABILITIES TO EQUITY	0.72	0.38	0.85
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.42	0.58

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
9.68%	9.48%	3.31%	3.61%
42.19	26.14	34.36	25.62
2.49	3.85	8.37	16.78
8.64	24.89	5.37	3.22
63.00	64.36	51.41	49.23
2.21	9.95	16.06	13.29
0.27	1.21	2.71	2.21
1.94	8.74	13.35	11.08
60.32	36.41	64.62	57.26
38.10	15.23	38.01	29.91
22.22	21.18	26.61	27.35
13.19	7.82	14.70	17.51
5.41	3.57	7.92	6.73
7.78	4.25	6.78	10.78
31.94	34.17	46.74	49.21
5.06	1.47	1.85	1.56
100.00	100.00	100.00	100.00
8.96	8.31	13.65	11.78
8.67	3.87	13.68	6.96
16.53	15.29	9.91	10.82
34.16	27.47	37.24	29.56
18.59	20.05	42.53	28.48
52.75	47.52	79.77	58.04
47.25	52.48	20.23	41.96
100.00	100.00	100.00	100.00
1.84	2.34	1.38	1.67
1.77	2.20	1.16	1.10
1.12	0.91	3.94	1.38
0.39	0.38	2.10	0.68
0.63	0.42	0.59	0.52

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 24,397	$ 58,342	$ 21,617
Average assets per factory employee (Excluding Executives)	34,487	80,660	34,972
Average net worth per employee - All employees	11,153	43,053	7,336
Average gross plant investment per factory employee (Excluding Executives)	28,131	34,959	35,125
Net worth percentage of fixed assets	152.42%	188.05%	148.80%
EMPLOYEES			
Percent factory - All employees	75.56%	78.82%	63.13%
Percent administrative - All employees	15.08	10.59	29.07
Percent sales - All employees	9.36	10.59	7.80
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 39,499	$ 36,948	$ 34,316
Sales per factory employee	54,306	47,972	61,335
Sales less material per factory employee	48,453	46,759	53,231
Sales per administrative employee	352,549	375,956	149,582
EXCLUDING EXECUTIVES			
Sales per employee - All employees	46,369	39,745	47,374
Sales per factory employee	57,416	49,550	62,842
Sales less material per factory employee	51,251	48,262	54,583
SALES PER SALESMAN	340,493	127,333	0
SALES TO CURRENT ASSETS	416%	217%	521%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	60.00%	64.81%	60.28%
Factory payroll percentage of gross plant investment	143.47	102.96	119.78
Payroll per employee - All employees	$ 23,248	$ 23,992	$ 20,533
Payroll per factory employee	21,610	22,766	20,913
Payroll per administrative employee	30,660	27,373	17,927
Payroll per sales employee	32,259	32,924	22,682
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 18,021	$ 19,172	$ 17,015
Payroll per factory employee	17,863	18,480	18,179
Payroll per administrative employee	13,435	15,729	10,648
Payroll per sales employee	21,634	29,300	5,965
EXECUTIVE PAYROLL			
Payroll per executive - All executives	41,399	41,872	19,458
Payroll per factory executive	25,082	20,694	4,715
Payroll per administrative executive	40,983	21,178	18,242
Payroll per sales executive	32,354	0	22,419
RECEIVABLES			
Collection period	63.5	91.4	48.3
PROFIT			
Gross profit percentage of sales	29.80%	33.16%	28.38%
Average gross profit per factory employee	$ 17,871	$ 16,634	$ 20,901
Income (loss) before taxes percentage of sales	(0.19)%	9.98%	(7.11)%
Average income (loss) before taxes per employee	$ (112)	$ 3,713	$ (3,247)

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 28,250	$ 58,342	$ 20,279	$ 22,965
39,341	80,660	25,812	29,353
17,383	43,053	4,089	8,246
27,099	34,959	24,531	24,371
225.02%	188.05%	38.98%	91.93%
78.88%	78.82%	80.48%	79.78%
11.94	10.59	10.15	7.76
9.18	10.59	9.37	12.46
$ 43,984	$ 36,948	$ 37,192	$ 37,757
56,363	47,972	46,231	47,190
51,189	46,759	41,231	41,909
397,997	375,956	386,866	508,727
50,187	39,745	41,487	39,748
60,899	49,550	49,227	48,844
55,248	48,262	43,963	43,422
257,111	127,333	363,511	498,571
370%	217%	425%	370%
56.11%	64.81%	64.34%	65.43%
187.26	102.96	105.45	102.27
$ 24,194	$ 23,992	$ 23,984	$ 23,956
21,400	22,766	22,349	22,419
38,913	27,373	29,155	29,128
36,823	32,924	33,363	33,055
$ 18,031	$ 19,172	$ 18,987	$ 18,384
17,242	18,480	18,47[illegible]	18,390
13,208	15,729	15,827	15,572
26,545	29,300	29,403	22,662
47,768	41,872	36,922	64,829
37,734	20,694	22,706	24,236
50,139	21,178	38,308	54,984
17,365	0	23,239	106,033
75.3	91.4	60.9	56.8
33.30%	33.16%	27.97%	24.08%
$ 19,841	$ 16,634	$ 13,899	$ 12,204
4.58%	9.98%	1.04%	(4.62)%
$ 1,825	$ 3,713	$ 483	$ (1,491)

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 4.33	$13.18	$ 3.83
Receivables	17.12	24.30	13.04
Inventories	3.79	3.96	2.26
Marketable securities	5.57	54.20	0.00
Other current assets	1.70	3.76	1.71
	32.51	99.40	20.84
Plant Investment:			
Land and building	9.54	23.82	13.40
Machinery and equipment	31.80	32.20	35.82
Other fixed assets	7.87	7.99	8.70
	49.21	64.01	57.92
Non-Current Assets	1.73	3.41	1.41
TOTAL INVESTMENT	83.45	166.82	80.17
INVESTMENT TURNOVER PER $100 OF SALES	119.83%	59.94%	124.73%
EARNINGS			
Cost of Product	$70.20	$66.84	$71.62
Selling Expenses	10.62	11.58	6.89
Administrative Expenses	17.05	10.84	27.16
	97.87	89.26	105.67
Income (loss) Before Interest, Other Income (Expense), and Taxes	2.13	10.74	(5.67)
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME (LOSS)	2.55%	6.44%	(7.07)%

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 6.22	$13.18	$ 2.83	$ 1.47
20.35	24.30	16.39	15.27
1.63	3.96	6.55	9.12
12.54	54.20	1.01	0.00
1.51	3.76	1.89	2.01
42.25	99.40	28.67	27.87
5.29	23.82	15.06	8.51
29.61	32.20	31.76	31.71
7.30	7.99	6.52	9.98
42.20	64.01	53.34	50.20
2.42	3.41	1.11	1.01
86.87	166.82	83.12	79.08
115.11%	59.94%	120.31%	126.45%
$66.70	$66.84	$72.03	$75.92
11.95	11.58	10.53	12.94
14.80	10.84	13.65	11.47
93.45	89.26	96.21	100.33
6.55	10.74	3.79	(0.33)
7.54%	6.44%	4.56%	(0.42)%

REPORT ON OPERATIONS - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	0.00	0.85	0.00
Other chargeable materials	3.54	4.75	2.58
Outside services	2.33	0.84	0.39
TOTAL MATERIAL	5.87	6.44	2.97
FACTORY PAYROLL	43.64	44.79	48.08
FACTORY EXPENSES	11.51	17.98	15.79
TOTAL FACTORY COST OF PRODUCT	61.02	69.21	66.84
GROSS PROFIT	38.98	30.79	33.16
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	33.23	14.79	10.84
Selling expenses	8.14	10.53	11.58
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	41.37	25.32	22.42
INCOME (LOSS) BEFORE INTEREST EXPENSE	(2.39)	5.47	10.74
Interest expense	0.92	2.11	1.56
OPERATING INCOME (LOSS)	(3.31)	3.36	9.18
Other income (expense)	0.04	0.68	0.80
INCOME (LOSS) BEFORE INCOME TAXES	(3.27)	4.04	9.98

SUPPORTING SCHEDULES - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS			
Ink	0.00%	0.00%	0.00%
Film	1.74	4.75	2.58
Plates	0.00	0.00	0.00
Other chargeable materials	1.80	0.00	0.00
TOTAL OTHER CHARGEABLE MATERIALS	3.54	4.75	2.58
OUTSIDE SERVICES			
Composition	2.33	0.84	
Offset preparation	0.00	0.00	
Printing	0.00	0.00	
Binding	0.00	0.00	
Other outside services	0.00	0.00	
TOTAL OUTSIDE SERVICES	2.33	0.84	***

** Sample insufficient for Profit Leaders.
*** Information not submitted.

PUBLISHERS**	BOOKS**	DIRECT BUYERS**
ALL FIRMS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%
0.00	3.20	0.00
1.36	3.18	10.10
8.64	2.53	4.24
10.00	8.91	14.34
42.32	41.95	39.58
15.47	16.03	19.91
67.79	66.89	73.83
32.21	33.11	26.17
13.55	15.99	11.93
15.65	10.69	9.63
29.20	26.68	21.56
3.01	6.43	4.61
3.67	3.71	3.71
(0.66)	2.72	0.90
2.68	(1.26)	0.37
2.02	1.46	1.27

	0.14%	0.00%
	2.21	10.10
	0.18	0.00
	0.65	0.00
***	3.18	10.10
0.05%	0.21	0.00
3.04	0.35	0.00
5.37	0.29	1.43
0.00	0.91	0.00
0.18	0.77	2.81
8.64	2.53	4.24

SUPPORTING SCHEDULES - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL			
Salaries - executive	1.66%	3.04%	4.56%
Direct wages	29.26	28.20	27.83
General factory salaries and wages	4.71	5.39	8.46
Packing, shipping and delivery wages	0.24	1.66	0.74
Payroll taxes	2.58	3.11	3.66
Employee benefits	5.19	3.39	2.83
TOTAL FACTORY PAYROLL	43.64	44.79	48.08
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.29	0.12	0.41
Depreciation - other	3.26	4.32	3.70
Taxes - real estate	0.07	0.11	0.38
Taxes - other	0.17	0.11	0.05
Insurance	0.80	0.82	0.80
Building rent	1.51	1.58	0.40
Utilities - heat, light, etc.	0.39	0.97	1.09
Equipment rental	0.04	2.02	0.00
Total Fixed Expenses	6.53	10.05	6.83
Other Expenses			
Factory supplies and expense	2.16	2.80	4.56
Packing, shipping and delivery expense	0.17	2.40	1.23
Repairs and maintenance	2.28	2.28	2.86
Other factory expenses	0.37	0.45	0.31
Total Other Expenses	4.98	7.93	8.96
TOTAL FACTORY EXPENSES	11.51	17.98	15.79
ADMINISTRATIVE EXPENSES			
Salaries - executive	10.46	4.89	3.55
Salaries - office	8.08	2.88	3.11
Payroll taxes	2.36	0.43	0.49
Employee benefits	1.76	0.73	0.68
Bad debts	0.33	0.69	0.11
Office supplies and expenses	0.86	1.07	1.37
Professional fees	1.18	1.28	0.43
Taxes - business	0.60	0.54	0.03
Telephone	0.89	0.71	0.64
Other administrative expenses	6.71	1.57	0.43
TOTAL ADMINISTRATIVE EXPENSES	33.23	14.79	10.84
SELLING EXPENSES			
Salaries - executive	2.21	1.39	0.00
Salaries and commissions - salesmen	1.31	4.02	7.34
Salaries - sales office clerical	1.14	0.17	0.59
Payroll taxes	0.45	0.31	0.62
Employee benefits	0.97	0.23	0.35
Advertising	0.72	1.90	0.76
Travel and entertainment	0.29	2.16	0.71
Other selling expenses	1.05	0.35	1.21
TOTAL SELLING EXPENSES	8.14	10.53	11.58

** Sample insufficient for Profit Leaders.

PUBLISHERS**	BOOKS**	DIRECT BUYERS**
ALL FIRMS	ALL FIRMS	ALL FIRMS
3.18%	3.01%	4.79%
30.46	31.68	26.09
3.30	1.89	2.49
0.00	0.16	0.70
2.65	3.50	2.04
2.73	1.71	3.47
42.32	41.95	39.58
1.28	0.00	1.38
1.26	4.94	4.60
0.00	0.15	0.19
0.05	0.10	0.00
0.56	0.50	0.74
0.81	1.36	2.55
0.72	1.27	0.75
3.96	1.03	2.37
8.64	9.35	12.58
3.11	2.51	1.76
2.20	0.86	2.95
1.29	2.66	2.57
0.23	0.65	0.05
6.83	6.68	7.33
15.47	16.03	19.91
5.35	7.16	3.17
2.32	2.02	2.37
0.55	0.51	0.70
0.94	0.55	0.47
0.00	0.08	0.01
0.60	0.74	0.44
0.92	1.46	0.53
0.46	0.25	0.04
0.78	1.14	0.78
1.63	2.08	3.42
13.55	15.99	11.93
5.80	1.33	0.98
3.18	4.13	5.77
2.36	1.19	0.00
0.63	0.53	0.14
0.44	0.31	0.51
0.18	0.51	0.36
1.14	2.19	1.70
1.92	0.50	0.17
15.65	10.69	9.63

BALANCE SHEET

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
ASSETS			
CURRENT ASSETS			
Cash	23.86%	11.72%	9.48%
Receivables	24.24	33.12	26.14
Inventories	7.31	2.34	3.85
Other current assets	6.35	9.32	24.89
TOTAL CURRENT ASSETS	61.76	56.50	64.36
FIXED ASSETS			
Real estate	9.14	2.84	9.95
Less: Accumulated depreciation	2.05	0.34	1.21
	7.09	2.50	8.74
Machinery and equipment	64.41	62.29	36.41
Less: Accumulated depreciation	40.79	32.34	15.23
	23.62	29.95	21.18
Other fixed assets	14.81	12.89	7.82
Less: Accumulated depreciation	10.17	5.46	3.57
	4.64	7.43	4.25
NET FIXED ASSETS	35.35	39.88	34.17
OTHER ASSETS	2.89	3.62	1.47
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	2.70	6.42	8.31
Accounts payable	5.46	7.87	3.87
Other current liabilities	5.84	12.48	15.29
TOTAL CURRENT LIABILITIES	14.00	26.77	27.47
LONG-TERM LIABILITIES	23.06	25.67	20.05
TOTAL LIABILITIES	37.06	52.44	47.52
SHAREHOLDERS' AND PROPRIETORS' EQUITY	62.94	47.56	52.48
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	4.41	2.11	2.34
QUICK RATIO	3.89	2.02	2.20
TOTAL LIABILITIES TO EQUITY	0.59	1.10	0.91
LONG-TERM LIABILITIES TO EQUITY	0.37	0.54	0.38
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.63	0.52	0.42

** Sample insufficient for Profit Leaders.

PUBLISHERS**	BOOKS**	DIRECT BUYERS**
ALL FIRMS	ALL FIRMS	ALL FIRMS
5.81%	3.73%	2.61%
41.86	37.55	45.51
9.13	9.22	5.93
2.18	6.64	4.61
58.98	57.14	58.66
25.21	3.11	3.45
2.42	0.12	1.50
22.79	2.99	1.95
18.88	73.86	81.24
15.84	45.33	52.62
3.04	28.53	28.62
5.28	15.57	18.83
1.86	6.55	9.53
3.42	9.02	9.30
29.25	40.54	39.87
11.77	2.32	1.47
100.00	100.00	100.00
6.63	12.63	19.15
15.45	6.71	10.26
13.48	14.34	13.55
35.56	33.68	42.96
36.07	32.00	28.02
71.63	65.68	70.98
28.37	34.32	29.02
100.00	100.00	100.00

1.66	1.70	1.37
1.40	1.42	1.23
2.52	1.91	2.45
1.27	0.93	0.97
0.84	0.61	0.65

SIGNIFICANT FACTS

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Average assets per employee - All employees	$ 10,295	$ 31,389	$ 58,342
Average assets per factory employee (Excluding Executives)	17,978	41,928	80,660
Average net worth per employee - All employees	5,991	18,561	43,053
Average gross plant investment per factory employee (Excluding Executives)	16,715	26,255	34,959
Net worth percentage of fixed assets	217.53%	167.80%	188.05%
EMPLOYEES			
Percent factory - All employees	61.08%	80.11%	78.82%
Percent administrative - All employees	32.39	13.17	10.59
Percent sales - All employees	6.53	6.72	10.59
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 31,776	$ 40,785	$ 36,948
Sales per factory employee	63,556	51,274	47,972
Sales less material per factory employee	61,326	47,928	46,759
Sales per administrative employee	236,589	330,212	375,956
EXCLUDING EXECUTIVES			
Sales per employee - All employees	41,211	44,627	39,745
Sales per factory employee	65,835	52,924	49,550
Sales less material per factory employee	63,361	49,454	48,262
SALES PER SALESMAN	0	300,552	127,333
SALES TO CURRENT ASSETS	580%	374%	217%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	72.38%	59.85%	64.81%
Factory payroll percentage of gross plant investment	175.57	108.36	102.96
Payroll per employee - All employees	$ 23,189	$ 24,249	$ 23,992
Payroll per factory employee	23,231	22,680	22,766
Payroll per administrative employee	22,648	28,605	27,373
Payroll per sales employee	22,070	39,418	32,924
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 17,846	$ 18,711	$ 19,172
Payroll per factory employee	19,531	18,490	18,480
Payroll per administrative employee	14,924	13,196	15,729
Payroll per sales employee	10,618	24,257	29,300
EXECUTIVE PAYROLL			
Payroll per executive - All executives	40,233	47,502	41,872
Payroll per factory executive	18,562	28,824	20,694
Payroll per administrative executive	25,628	43,799	21,178
Payroll per sales executive	67,160	21,838	0
RECEIVABLES			
Collection period	31.6	70.1	91.4
PROFIT			
Gross profit percentage of sales	38.98%	30.79%	33.16%
Average gross profit per factory employee	$ 32,528	$ 16,445	$ 16,634
Income (loss) before taxes percentage of sales	(3.27)%	4.04%	9.98%
Average income (loss) before taxes per employee	$ (948)	$ 1,526	$ 3,713

** Sample insufficient for Profit Leaders.

PUBLISHERS**	BOOKS**	DIRECT BUYERS**
ALL FIRMS	ALL FIRMS	ALL FIRMS
$ 21,552	$ 18,666	$ 22,591
29,429	24,009	33,143
5,391	5,762	8,956
19,581	20,469	35,045
326.69%	89.25%	81.80%
74.04%	80.37%	78.31%
11.92	9.70	11.17
14.04	9.93	10.52
$ 33,677	$ 35,493	$ 49,381
45,980	43,805	63,499
40,949	39,539	54,680
311,552	430,334	457,205
38,345	39,250	58,591
47,789	46,033	72,097
42,592	41,615	62,277
300,000	498,571	361,584
353%	376%	399%
63.89%	59.68%	53.69%
466.88	99.78	94.12
$ 21,310	$ 20,992	$ 26,112
18,924	18,217	24,321
28,034	45,735	29,862
29,846	30,039	33,862
$ 15,777	$ 16,046	$ 20,908
15,802	15,474	19,758
11,287	11,349	19,255
19,787	24,262	29,012
40,194	48,395	30,898
35,538	17,681	31,864
42,736	60,597	33,023
42,942	43,845	10,955
62.5	67.7	77.8
32.21%	33.11%	26.17%
$ 15,404	$ 15,022	$ 19,357
2.02%	1.46%	1.27%
$ 684	$ 262	$ 752

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Current Assets:			
Cash	$ 4.59	$ 7.88	$13.18
Receivables	8.46	18.89	24.30
Inventories	3.68	1.93	3.96
Marketable securities	0.00	15.48	54.20
Other current assets	1.43	2.23	3.76
	18.16	46.41	99.40
Plant Investment:			
Land and building	5.22	6.81	23.82
Machinery and equipment	21.05	34.96	32.20
Other fixed assets	4.35	7.13	7.99
	30.62	48.90	64.01
Non-Current Assets	0.96	2.50	3.41
TOTAL INVESTMENT	49.74	97.81	166.82
INVESTMENT TURNOVER PER $100 OF SALES	201.05%	102.24%	59.94%
EARNINGS			
Cost of Product	$61.02	$69.21	$66.84
Selling Expenses	8.14	10.53	11.58
Administrative Expenses	33.23	14.79	10.84
	102.39	94.53	89.26
Income (Loss), Before Interest, Other Income (Expense), and Taxes	(2.39)	5.47	10.74
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME (LOSS)	(4.81)%	5.59%	6.44%

** Sample insufficient for Profit Leaders.

PUBLISHERS**	BOOKS**	DIRECT BUYERS**
ALL FIRMS	ALL FIRMS	ALL FIRMS
$ 5.12	$ 1.53	$ 1.32
17.14	18.25	20.96
9.70	4.70	2.78
2.02	1.11	0.00
0.30	1.77	1.92
34.28	27.36	26.98
26.80	2.47	1.66
17.14	34.21	35.87
2.96	7.92	9.93
46.90	44.60	47.46
3.86	1.21	0.71
85.04	73.17	75.15
117.59%	136.67%	133.07%
$67.79	$66.89	$73.83
15.65	10.69	9.63
13.55	15.99	11.93
96.99	93.57	95.39
3.01	6.43	4.61
3.54%	8.79%	6.13%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	21	$1,063,000	$1,807,000	$ (24,000)
TOTAL - PROFIT LEADERS*	2	1,641,000	1,050,000	105,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$500,000	5	120,000	212,000	(9,000)
$500,000-$1,500,000	9	710,000	1,029,000	47,000
$1,500,000-$3,000,000	4	983,000	1,762,000	23,000
Over $3,000,000	3	3,801,000	6,858,000	(326,000)
PROFIT LEADERS				
$500,000-$1,500,000	2	1,641,000	1,050,000	105,000
BY MARKET				
ALL FIRMS				
Printers and Lithographers	3	1,368,000	2,463,000	(254,000)
Advertising Agencies	7	777,000	990,000	47,000
Publishers	2	918,000	1,065,000	21,000
Books	4	1,973,000	3,735,000	(43,000)
Direct Buyers	4	729,000	1,613,000	25,000
PROFIT LEADERS				
Advertising Agencies	2	1,641,000	1,050,000	105,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales	
			Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	

62.2% divided by 3 = 20.7%

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages.

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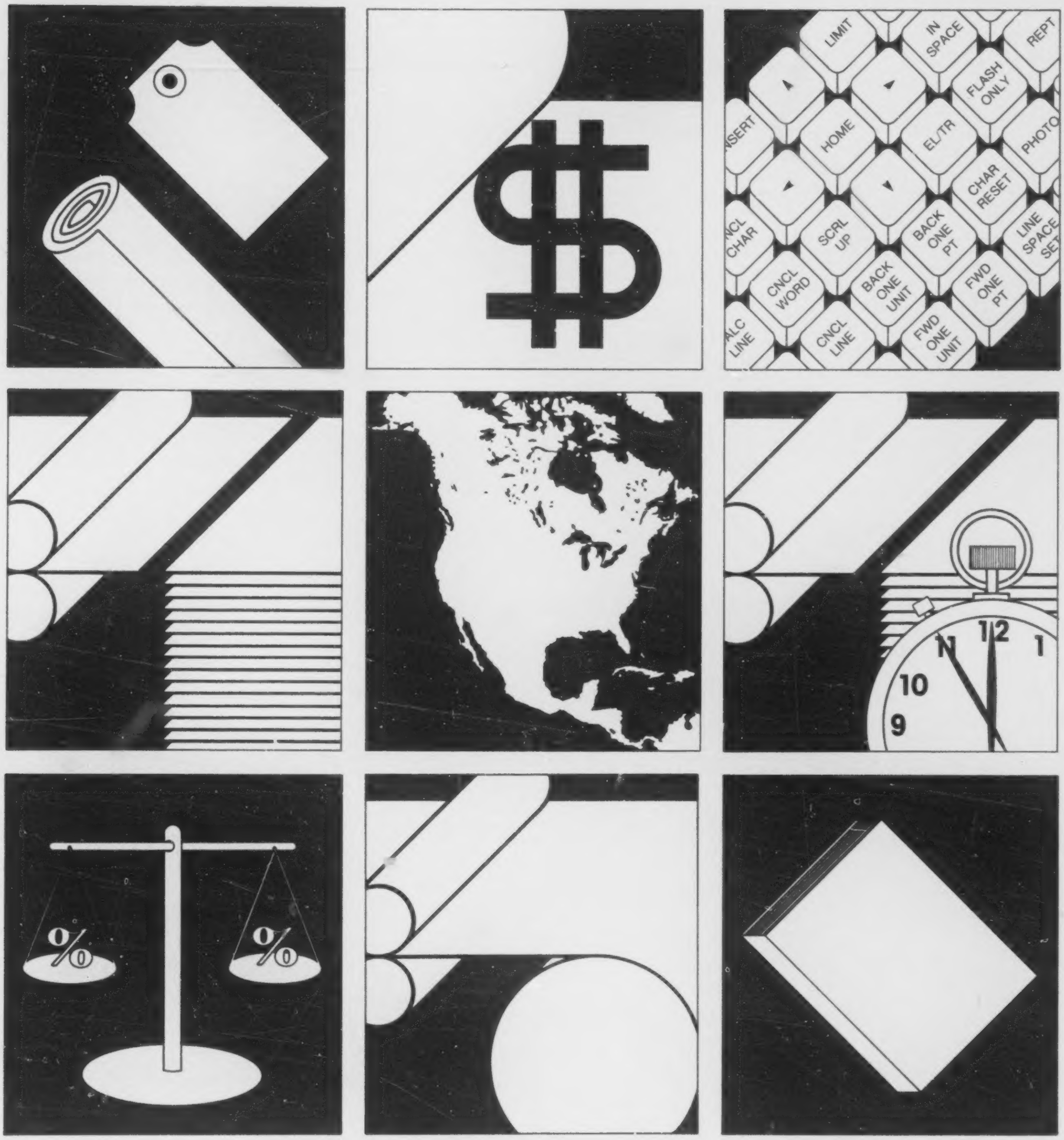
Printing Industries of America, Inc.

1983 Financial Ratios


LIMIT
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CNCL WORD
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FWD ONE PT
ALC LINE
CNCL LINE
FWD ONE UNIT
12
1
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10
9
%
%

Volume XII

Preparatory Specialists' Ratios

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management

  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

PREPARATORY SPECIALISTS

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PRINTING INDUSTRIES OF AMERICA, INC.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

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CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1983 PIA FINANCIAL RATIOS FOR PREPARATORY SPECIALISTS who participated in the 1983 Ratio Studies. This Ratio Study was developed on the basis of questionnaires volunteered by 32 firms and presents the ratios and statistics of Preparatory Specialists by sales volume, product specialty and market.

Thus the user of the report can direct himself to the standards for his sales size - for example, sales to $500,000, sales from $500,000 to $1,500,000 etc.; market - for example, Printers and Lithographers, Advertising Agencies, etc. and type of work - for example, Black and White and Color Work. Readers can compare the data from their own firm's financial statements with similar data from other firms in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Jim Olsen
Vice-President
Management Services
Printing Industries of America, Inc.
1730 North Lynn Street
Arlington, VA 22209 — (703) 841-8139

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The Graphic Preparatory Association is a special industry unit of PIA which represents and supports the common interests of preparatory trade plants in serving the Graphic Arts Industry. This study of the financial ratios of preparatory specialists is but one of the services GPA offers to its members.

Each year GPA holds two major meetings. In the spring, there is a *Technical Awareness Seminar for Management*. The two-day session is designed to update members of technological changes in the industry. In the winter, GPA holds its *Annual Meeting* in a resort location. This three-day session allows a maximum flow of information among the membership through its half-day sessions, social events and the relaxing atmosphere of the resort.

In addition to the meetings and the ratio study, GPA prepares compensation surveys, a quarterly industry activity survey, and publishes an annual buyers' guide. Active membership is open to any PIA member engaged in the operation of a preparatory trade plant serving the GPA industry. Associate membership is open to any PIA member engaged in the manufacture or distribution of supplies or equipment for use in the preparatory industry.

Ronald S. Ballard

Ronald S. Ballard
Executive Director
Graphic Preparatory Association
(815) 734-4178

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	1.92	0.05	0.00
Other chargeable materials	14.06	13.11	19.68
Outside services	3.73	3.90	0.71
TOTAL MATERIAL	19.71	17.06	20.39
FACTORY PAYROLL	38.07	33.55	51.99
FACTORY EXPENSES	14.41	11.36	18.52
TOTAL FACTORY COST OF PRODUCT	72.19	61.97	90.90
GROSS PROFIT	27.81	38.03	9.10
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	11.84	11.61	11.54
Selling expenses	11.54	12.93	1.56
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	23.38	24.54	13.10
INCOME (LOSS) BEFORE INTEREST EXPENSE	4.43	13.49	(4.00)
Interest expense	2.36	1.90	0.56
OPERATING INCOME (LOSS)	2.07	11.59	(4.56)
Other income (expense)	0.89	0.56	1.39
INCOME (LOSS) BEFORE INCOME TAXES	2.96	12.15	(3.17)

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
OTHER CHARGEABLE MATERIALS			
Ink	0.17%	0.00%	0.94%
Film	9.14	8.17	14.73
Plates	1.52	0.00	2.77
Other chargeable materials	3.23	4.94	1.24
TOTAL OTHER CHARGEABLE MATERIALS	14.06	13.11	19.68
OUTSIDE SERVICES			
Composition	0.08	0.04	
Offset preparation	0.44	0.13	
Printing	1.78	3.57	
Binding	0.07	0.00	
Other outside services	1.36	0.16	
TOTAL OUTSIDE SERVICES	3.73	3.90	***

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Sample insufficient for Profit Leaders.

*** Information not submitted.

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%
2.20	4.27	0.27	0.05
15.83	12.47	13.45	13.11
5.08	2.51	4.40	3.90
23.11	19.25	18.12	17.06
35.78	35.28	39.30	33.55
14.94	14.77	13.22	11.36
73.83	69.30	70.64	61.97
26.17	30.70	29.36	38.03
13.87	11.82	10.82	11.61
7.80	14.90	12.50	12.93
21.67	26.72	23.32	24.54
4.50	3.98	6.04	13.49
3.27	2.62	1.95	1.90
1.23	1.36	4.09	11.59
(0.02)	1.21	1.07	0.56
1.21	2.57	5.16	12.15

0.00%	0.03%	0.12%	0.00%
7.75	8.82	8.79	8.17
3.49	1.77	0.31	0.00
4.59	1.85	4.23	4.94
15.83	12.47	13.45	13.11
0.00	0.15	0.16	0.04
0.00	0.93	0.72	0.13
1.97	0.76	3.21	3.57
0.00	0.14	0.12	0.00
3.11	0.53	0.19	0.16
5.08	2.51	4.40	3.90

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.44%	3.19%	12.58%
Direct wages	27.05	21.79	31.25
General factory salaries and wages	1.40	2.48	0.00
Packing, shipping and delivery wages	0.52	0.74	0.00
Payroll taxes	2.70	1.77	3.82
Employee benefits	2.96	3.58	4.34
TOTAL FACTORY PAYROLL	38.07	33.55	51.99
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.26	0.16	0.00
Depreciation - other	4.40	4.70	5.37
Taxes - real estate	0.14	0.02	0.00
Taxes - other	0.22	0.25	0.91
Insurance	0.64	0.45	1.49
Building rent	1.58	0.69	4.58
Utilities - heat, light, etc.	1.42	0.96	2.14
Equipment rental	0.65	0.99	0.00
Total Fixed Expenses	9.31	8.22	14.49
Other Expenses			
Factory supplies and expense	1.60	0.90	0.00
Packing, shipping and delivery expense	1.05	0.55	1.56
Repairs and maintenance	1.66	1.14	2.47
Other factory expenses	0.79	0.55	0.00
Total Other Expenses	5.10	3.14	4.03
TOTAL FACTORY EXPENSES	14.41	11.36	18.52
ADMINISTRATIVE EXPENSES			
Salaries - executive	4.09	2.76	4.85
Salaries - office	2.27	2.26	1.91
Payroll taxes	0.57	0.31	0.52
Employee benefits	0.65	1.04	0.28
Bad debts	0.59	0.47	0.00
Office supplies and expenses	0.40	0.46	0.10
Professional fees	0.74	1.90	0.35
Taxes - business	0.17	0.41	0.00
Telephone	0.76	0.99	0.53
Other administrative expenses	1.60	1.01	3.00
TOTAL ADMINISTRATIVE EXPENSES	11.84	11.61	11.54
SELLING EXPENSES			
Salaries - executive	1.24	1.35	0.00
Salaries and commissions - salesmen	5.93	5.13	0.00
Salaries - sales office clerical	0.40	1.20	0.00
Payroll taxes	0.41	0.42	0.00
Employee benefits	0.43	0.76	0.00
Advertising	0.69	2.31	0.00
Travel and entertainment	1.46	1.14	1.56
Other selling expenses	0.98	0.62	0.00
TOTAL SELLING EXPENSES	11.54	12.93	1.56

** Sample insufficient for Profit Leaders

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
3.88%	2.71%	2.35%	3.19%
25.06	26.71	27.73	21.79
1.02	0.49	2.53	2.48
0.00	0.75	0.71	0.74
3.11	2.15	2.72	1.77
2.71	2.47	3.26	3.58
35.78	35.28	39.30	33.55
0.36	0.18	0.30	0.16
5.14	4.49	3.79	4.70
0.15	0.09	0.20	0.02
0.15	0.22	0.15	0.25
1.12	0.49	0.37	0.45
2.33	1.34	0.90	0.69
1.68	1.32	1.24	0.96
0.25	1.18	0.56	0.99
11.18	9.31	7.51	8.22
1.10	1.13	2.49	0.90
0.77	1.10	1.08	0.55
1.44	1.81	1.52	1.14
0.45	1.42	0.62	0.55
3.76	5.46	5.71	3.14
14.94	14.77	13.22	11.36
5.14	4.22	3.29	2.76
3.06	2.10	2.04	2.26
1.00	0.49	0.41	0.31
0.58	0.68	0.73	1.04
0.20	1.18	0.43	0.47
0.59	0.32	0.41	0.46
0.56	0.73	0.91	1.90
0.11	0.22	0.18	0.41
1.04	0.79	0.63	0.99
1.59	1.09	1.79	1.01
13.87	11.82	10.82	11.61
1.02	1.73	1.16	1.35
3.28	8.29	6.47	5.13
0.00	0.46	0.62	1.20
0.23	0.46	0.52	0.42
0.25	0.58	0.48	0.76
0.65	0.71	0.81	2.31
1.08	2.01	1.23	1.14
1.29	0.66	1.21	0.62
7.80	14.90	12.50	12.93

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	7.18%	9.26%	24.53%
Receivables	34.68	35.77	17.26
Inventories	6.11	7.49	0.33
Other current assets	4.14	6.11	6.06
TOTAL CURRENT ASSETS	52.11	58.63	48.18
FIXED ASSETS			
Real estate	9.67	5.65	0.00
Less: Accumulated depreciation	1.91	0.87	0.00
	7.76	4.78	0.00
Machinery and equipment	68.36	61.20	111.08
Less: Accumulated depreciation	37.47	29.75	73.79
	30.89	31.45	37.29
Other fixed assets	10.46	7.05	14.53
Less: Accumulated depreciation	4.51	3.21	0.00
	5.95	3.84	14.53
NET FIXED ASSETS	44.60	40.07	51.82
OTHER ASSETS	3.29	1.30	0.00
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	9.36	6.71	0.33
Accounts payable	8.16	8.58	7.31
Other current liabilities	8.97	13.20	0.00
TOTAL CURRENT LIABILITIES	26.49	28.49	7.64
LONG-TERM LIABILITIES	32.00	20.96	14.81
TOTAL LIABILITIES	58.49	49.45	22.45
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.51	50.55	77.55
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.97	2.06	6.31
QUICK RATIO	1.74	1.80	6.26
TOTAL LIABILITIES TO EQUITY	1.41	0.98	0.29
LONG-TERM LIABILITIES TO EQUITY	0.77	0.41	0.19
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.55	0.49	0.66

** Sample insufficient for Profit Leaders

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
5.58%	6.73%	5.73%	9.26%
33.85	40.15	33.57	35.77
6.75	6.07	6.69	7.49
3.17	3.75	4.68	6.11
49.35	56.70	50.67	58.63
9.56	4.42	15.26	5.65
0.30	0.62	4.06	0.87
9.26	3.80	11.20	4.78
80.09	64.68	58.30	61.20
45.56	35.14	29.31	29.75
34.53	29.54	28.99	31.45
6.17	13.48	9.81	7.05
3.30	7.20	3.78	3.21
2.87	6.28	6.03	3.84
46.66	39.62	46.22	40.07
3.99	3.68	3.11	1.30
100.00	100.00	100.00	100.00
13.72	12.02	6.37	6.71
8.42	9.38	7.21	8.58
9.23	9.41	9.87	13.20
31.37	30.81	23.45	28.49
48.85	23.75	31.90	20.96
80.22	54.56	55.35	49.45
19.78	45.44	44.65	50.55
100.00	100.00	100.00	100.00
1.57	1.84	2.16	2.06
1.36	1.64	1.88	1.80
4.06	1.20	1.24	0.98
2.47	0.52	0.71	0.41
0.57	0.54	0.50	0.49

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 32,339	$ 37,168	$ 10,920
Average assets per factory employee (Excluding Executives)	47,590	52,062	16,942
Average net worth per employee - All employees	13,112	18,598	8,114
Average gross plant investment per factory employee (Excluding Executives)	41,662	36,344	22,137
Net worth percentage of fixed assets	108.53%	127.77%	153.63%
EMPLOYEES			
Percent factory - All employees	74.28%	76.72%	83.33%
Percent administrative - All employees	13.75	10.01	16.67
Percent sales - All employees	11.97	13.27	0.00
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 62,000	$ 72,876	$ 35,017
Sales per factory employee	84,799	95,404	44,616
Sales less material per factory employee	68,272	79,044	35,594
Sales per administrative employee	536,080	736,806	57,595
EXCLUDING EXECUTIVES			
Sales per employee - All employees	69,748	80,650	46,651
Sales per factory employee	91,140	101,183	53,371
Sales less material per factory employee	73,430	83,885	42,568
SALES PER SALESMAN	486,587	704,909	0
SALES TO CURRENT ASSETS	422%	358%	680%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	54.04%	48.78%	59.55%
Factory payroll percentage of gross plant investment	98.59	107.02	139.83
Payroll per employee - All employees	$ 33,435	$ 36,048	$ 21,076
Payroll per factory employee	31,464	32,366	23,068
Payroll per administrative employee	36,944	45,462	8,717
Payroll per sales employee	42,250	50,499	0
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 26,214	$ 27,497	$ 15,950
Payroll per factory employee	25,780	25,424	17,353
Payroll per administrative employee	15,914	21,980	5,133
Payroll per sales employee	35,005	42,205	0
EXECUTIVE PAYROLL			
Payroll per executive - All executives	52,635	52,405	25,693
Payroll per factory executive	34,915	50,138	27,500
Payroll per administrative executive	68,501	73,399	9,789
Payroll per sales executive	37,366	47,956	0
RECEIVABLES			
Collection period	64.4	62.5	21.8
PROFIT			
Gross profit percentage of sales	27.81%	38.03%	9.10%
Average gross profit per factory employee	$ 26,581	$ 38,359	$ 4,204
Income (loss) before taxes percentage of sales	2.96%	12.15%	(3.17)%
Average income (loss) before taxes per employee	$ 2,127	$ 8,967	$ (1,460)

** Sample insufficient for Profit Leaders

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 29,264	$ 35,339	$ 34,981	$ 37,168
44,888	55,215	47,895	52,062
6,141	16,275	15,201	18,598
45,743	46,390	38,831	36,344
74.01%	129.27%	104.23%	127.77%
70.97%	70.22%	77.79%	76.72%
21.46	12.84	9.84	10.01
7.57	16.94	12.37	13.27
$ 55,482	$ 65,264	$ 67,150	$ 72,876
79,373	93,999	86,826	95,404
60,738	76,280	71,196	79,044
286,325	583,636	707,594	736,806
65,647	73,192	72,861	80,650
86,849	101,303	91,444	101,183
66,433	82,342	75,089	83,885
290,955	309,448	636,563	704,909
477%	354%	405%	358%
50.33%	54.29%	55.00%	48.78%
100.19	88.89	98.83	107.02
$ 27,563	$ 35,412	$ 36,978	$ 36,048
27,314	32,659	34,070	32,366
26,537	40,249	44,348	45,462
35,203	44,315	50,956	50,499
$ 20,877	$ 28,188	$ 29,148	$ 27,497
21,481	27,557	28,025	25,424
11,038	17,849	18,709	21,980
23,849	37,585	44,413	42,205
39,548	53,359	63,270	52,405
31,102	34,434	38,478	50,138
36,841	75,804	88,962	73,399
8,040	49,946	49,228	47,956
58.5	77.3	64.2	62.5
26.17%	30.70%	29.36%	38.03%
$ 23,338	$ 32,397	$ 27,295	$ 38,359
1.21%	2.57%	5.16%	12.15%
$ 751	$ 1,834	$ 3,645	$ 8,967

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 3.46	$ 5.30	$ 6.87
Receivables	16.94	17.02	5.92
Inventories	2.85	3.76	0.11
Marketable securities	0.34	0.17	0.00
Other current assets	1.77	3.43	1.80
	25.36	29.68	14.70
Plant Investment:			
Land and building	6.86	2.58	0.00
Machinery and equipment	33.47	30.08	35.26
Other fixed assets	4.82	3.42	3.98
	45.15	36.08	39.24
Non-Current Assets	1.71	0.78	0.00
TOTAL INVESTMENT	72.22	66.54	53.94
INVESTMENT TURNOVER PER $100 OF SALES	138.47%	150.29%	185.39%
EARNINGS			
Cost of Product	$72.19	$61.97	$90.90
Selling Expenses	11.54	12.93	1.56
Administrative Expenses	11.84	11.61	11.54
	95.57	86.51	104.00
Income (Loss) Before Interest, Other Income (Expense), and Taxes	4.43	13.49	(4.00)
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME (LOSS)	6.13%	20.27%	(7.42)%

** Sample insufficient for Profit Leaders

SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 2.40	$ 3.94	$ 3.12	$ 5.30
15.39	20.06	17.11	17.02
2.70	3.01	3.22	3.76
0.18	0.59	0.29	0.17
1.34	1.45	2.25	3.43
22.01	29.05	25.99	29.68
10.44	3.15	8.83	2.58
39.49	35.31	28.53	30.08
2.72	6.28	4.95	3.42
52.65	44.74	42.31	36.08
2.01	2.00	1.60	0.78
76.67	75.79	69.90	66.54
130.43%	131.94%	143.06%	150.29%
$73.83	$69.30	$70.64	$61.97
7.80	14.90	12.50	12.93
13.87	11.82	10.82	11.61
95.50	96.02	93.96	86.51
4.50	3.98	6.04	13.49
5.87%	5.25%	8.64%	20.27%

REPORT ON OPERATIONS - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES**
	ALL FIRMS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIAL		
Paper	2.17	4.49
Other chargeable materials	14.47	11.23
Outside services	4.81	1.83
TOTAL MATERIAL	21.45	17.55
FACTORY PAYROLL	37.65	39.03
FACTORY EXPENSES	15.49	13.77
TOTAL FACTORY COST OF PRODUCT	74.59	70.35
GROSS PROFIT	25.41	29.65
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	11.81	12.32
Selling expenses	9.48	15.20
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	21.29	27.52
INCOME BEFORE INTEREST EXPENSE	4.12	2.13
Interest expense	3.19	2.03
OPERATING INCOME	0.93	0.10
Other income	0.95	0.90
INCOME BEFORE INCOME TAXES	1.88	1.00

SUPPORTING SCHEDULES - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES**
OTHER CHARGEABLE MATERIALS		
Ink	0.26%	0.00%
Film	10.03	6.01
Plates	1.24	0.22
Other chargeable materials	2.94	5.00
TOTAL OTHER CHARGEABLE MATERIALS	14.47	11.23
OUTSIDE SERVICES		
Composition	0.04	0.00
Offset preparation	0.04	1.83
Printing	2.97	0.00
Binding	0.05	0.00
Other outside services	1.71	0.00
TOTAL OUTSIDE SERVICES	4.81	1.83

** Sample insufficient for Profit Leaders.
*** Information not submitted.

PUBLISHERS		CARTON MANUFACTURERS**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%
0.35	0.00	0.00
14.17	14.24	15.58
3.72	0.98	2.44
18.24	15.22	18.02
38.11	30.32	38.35
12.88	12.34	16.65
69.23	57.88	73.02
30.77	42.12	26.98
11.76	14.30	11.19
12.58	14.83	12.85
24.34	29.13	24.04
6.43	12.99	2.94
1.36	1.68	0.70
5.07	11.31	2.24
0.92	1.04	0.64
5.99	12.35	2.88

0.10%	0.00%	0.00%
10.35	8.88	7.35
0.87	0.00	5.58
2.85	5.36	2.65
14.17	14.24	15.58
0.13		0.11
1.88		0.49
0.17		0.00
0.21		0.00
1.33		1.84
3.72	***	2.44

SUPPORTING SCHEDULES - SALES = 100%

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES**
	ALL FIRMS	ALL FIRMS
FACTORY PAYROLL		
Salaries - executive	4.35%	3.11%
Direct wages	26.30	27.91
General factory salaries and wages	1.46	0.66
Packing, shipping and delivery wages	0.29	0.76
Payroll taxes	2.69	3.28
Employee benefits	2.56	3.31
TOTAL FACTORY PAYROLL	37.65	39.03
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.29	0.31
Depreciation - other	4.58	5.16
Taxes - real estate	0.14	0.15
Taxes - other	0.30	0.22
Insurance	0.91	0.39
Building rent	2.06	0.76
Utilities - heat, light, etc.	1.52	1.17
Equipment rental	1.14	0.20
Total Fixed Expenses	10.94	8.36
Other Expenses		
Factory supplies and expense	1.35	0.92
Packing, shipping and delivery expense	1.32	1.02
Repairs and maintenance	1.49	2.42
Other factory expenses	0.39	1.05
Total Other Expenses	4.55	5.41
TOTAL FACTORY EXPENSES	15.49	13.77
ADMINISTRATIVE EXPENSES		
Salaries - executive	4.36	4.22
Salaries - office	2.05	2.45
Payroll taxes	0.74	0.72
Employee benefits	0.73	0.73
Bad debts	0.44	0.50
Office supplies and expenses	0.50	0.31
Professional fees	0.46	0.93
Taxes - business	0.12	0.25
Telephone	0.99	0.71
Other administrative expenses	1.42	1.50
TOTAL ADMINISTRATIVE EXPENSES	11.81	12.32
SELLING EXPENSES		
Salaries - executive	1.26	1.49
Salaries and commissions - salesmen	4.94	8.02
Salaries - sales office clerical	0.18	0.36
Payroll taxes	0.26	0.79
Employee benefits	0.27	0.85
Advertising	0.60	0.83
Travel and entertainment	1.16	1.93
Other selling expenses	0.81	0.93
TOTAL SELLING EXPENSES	9.48	15.20

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS
2.24%	3.85%	2.80%
27.69	18.42	28.34
1.53	2.02	0.68
0.90	0.62	0.19
2.32	1.70	2.61
3.43	3.71	3.73
38.11	30.32	38.35
0.18	0.00	0.00
4.32	5.78	2.96
0.05	0.00	0.00
0.18	0.15	0.10
0.35	0.44	0.85
1.15	1.04	1.23
1.09	0.82	2.73
0.46	1.48	0.00
7.78	9.71	7.87
1.92	0.54	4.20
0.76	0.31	0.56
1.37	1.17	1.64
1.05	0.61	2.38
5.10	2.63	8.78
12.88	12.34	16.65
3.18	3.18	4.23
2.07	2.91	1.71
0.29	0.26	0.48
0.70	0.90	0.40
1.05	0.65	0.55
0.29	0.34	0.16
1.17	2.72	0.91
0.24	0.61	0.16
0.63	1.22	0.54
2.14	1.51	2.05
11.76	14.30	11.19
1.17	1.68	0.65
6.26	5.15	5.59
0.72	1.60	0.42
0.36	0.50	0.52
0.37	0.61	0.61
1.19	3.35	0.15
1.54	1.20	2.22
0.97	0.74	2.69
12.58	14.83	12.85

BALANCE SHEET

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES**
	ALL FIRMS	ALL FIRMS
ASSETS		
CURRENT ASSETS		
Cash	8.14%	7.70%
Receivables	31.81	32.37
Inventories	4.19	5.24
Other current assets	4.50	4.46
TOTAL CURRENT ASSETS	48.64	49.77
FIXED ASSETS		
Real estate	9.27	10.50
Less: Accumulated depreciation	1.61	2.67
	7.66	7.83
Machinery and equipment	67.80	64.41
Less: Accumulated depreciation	35.48	31.25
	32.32	33.16
Other fixed assets	8.43	15.23
Less: Accumulated depreciation	2.22	7.71
	6.21	7.52
NET FIXED ASSETS	46.19	48.51
OTHER ASSETS	5.17	1.72
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	11.68	9.21
Accounts payable	8.09	7.32
Other current liabilities	5.99	7.24
TOTAL CURRENT LIABILITIES	25.76	23.77
LONG-TERM LIABILITIES	45.53	24.73
TOTAL LIABILITIES	71.29	48.50
SHAREHOLDERS' AND PROPRIETORS' EQUITY	28.71	51.50
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.89	2.09
QUICK RATIO	1.73	1.87
TOTAL LIABILITIES TO EQUITY	2.48	0.94
LONG-TERM LIABILITIES TO EQUITY	1.59	0.48
ACCUMULATED DEPRECIATION MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.52	0.49

** Sample insufficient for Profit Leaders.

PUBLISHERS ALL FIRMS	PUBLISHERS PROFIT LEADERS	CARTON MANUFACTURERS** ALL FIRMS
5.35%	13.55%	0.72%
35.47	28.40	56.36
7.84	5.14	13.80
4.84	8.61	0.96
53.50	55.70	71.84
10.99	0.00	0.00
2.21	0.00	0.00
8.78	0.00	0.00
70.12	76.77	90.25
39.99	39.77	67.32
30.13	37.00	22.93
8.75	9.55	18.53
4.06	4.19	13.55
4.69	5.36	4.98
43.60	42.36	27.91
2.90	1.94	0.25
100.00	100.00	100.00
5.43	5.60	12.25
8.56	9.95	13.96
12.46	13.91	8.31
26.45	29.46	34.52
21.38	18.01	1.90
47.83	47.47	36.42
52.17	52.53	63.58
100.00	100.00	100.00

2.02	1.89	2.08
1.73	1.72	1.68
0.92	0.90	0.57
0.41	0.34	0.03
0.57	0.52	0.75

SIGNIFICANT FACTS

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES**
	ALL FIRMS	ALL FIRMS
INVESTMENT		
Average assets per employee - All employees	$ 30,327	$ 39,241
Average assets per factory employee (Excluding Executives)	44,507	62,763
Average net worth per employee - All employees	8,253	19,866
Average gross plant investment per factory employee (Excluding Executives)	37,902	57,332
Net worth percentage of fixed assets	76.85%	111.76%
EMPLOYEES		
Percent factory - All employees	75.17%	69.42%
Percent administrative - All employees	14.84	14.02
Percent sales - All employees	9.99	16.56
SALES - VALUE OF PRODUCT PRODUCED		
INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 58,226	$ 67,829
Sales per factory employee	79,150	99,325
Sales less material per factory employee	61,946	82,421
Sales per administrative employee	430,905	542,410
EXCLUDING EXECUTIVES		
Sales per employee - All employees	67,031	75,913
Sales per factory employee	85,602	108,080
Sales less material per factory employee	67,056	89,879
SALES PER SALESMAN	487,335	381,696
SALES TO CURRENT ASSETS	459%	376%
PAYROLL - INCLUDING TAXES AND BENEFITS		
INCLUDING EXECUTIVES		
Total payroll percentage of sales	52.44%	58.65%
Factory payroll percentage of gross plant investment	105.19	86.98
Payroll per employee - All employees	$ 30,195	$ 39,553
Payroll per factory employee	28,349	37,877
Payroll per administrative employee	32,661	41,076
Payroll per sales employee	38,797	46,456
PAYROLL - EXCLUDING TAXES AND BENEFITS		
EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 23,656	$ 30,153
Payroll per factory employee	23,286	30,402
Payroll per administrative employee	12,564	18,103
Payroll per sales employee	30,442	38,162
EXECUTIVE PAYROLL		
Payroll per executive - All executives	45,170	55,117
Payroll per factory executive	32,605	35,398
Payroll per administrative executive	48,025	86,160
Payroll per sales executive	25,270	48,747
RECEIVABLES		
Collection period	59.7	68.5
PROFIT		
Gross profit percentage of sales	25.41%	29.65%
Average gross profit per factory employee	$ 23,050	$ 34,012
Income before taxes percentage of sales	1.88%	1.00%
Average income before taxes per employee	$ 1,514	$ 929

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 31,959	$ 37,802	$ 26,579
43,385	55,357	40,457
16,542	19,537	17,347
36,611	43,363	43,782
129.43%	126.08%	229.79%
78.31%	74.30%	71.13%
9.39	10.41	14.90
12.30	15.29	13.97
$ 65,248	$ 69,987	$ 60,708
83,828	94,900	85,464
68,741	80,364	69,997
721,344	678,233	675,478
70,881	78,277	72,004
88,337	101,961	93,154
72,477	86,352	76,223
636,049	617,083	242,423
417%	367%	323%
53.20%	47.12%	52.96%
92.70	71.25	81.74
$ 34,862	$ 33,582	$ 32,161
31,820	29,275	32,712
43,878	48,474	31,684
48,768	43,720	36,009
$ 27,690	$ 24,447	$ 26,314
26,208	21,767	27,028
19,312	25,813	20,161
43,990	35,786	29,734
58,721	56,117	32,994
34,609	47,142	30,334
83,364	90,594	35,832
42,906	51,634	21,653
61.6	51.6	93.3
30.77%	42.12%	26.98%
$ 27,841	$ 42,660	$ 25,223
5.99%	12.35%	2.88%
$ 4,117	$ 8,822	$ 1,765

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTERS AND LITHOGRAPHERS**	ADVERTISING AGENCIES**
	ALL FIRMS	ALL FIRMS
INVESTMENT		
Current Assets:		
Cash	$ 3.66	$ 4.25
Receivables	15.59	17.58
Inventories	2.13	2.75
Marketable securities	0.33	0.98
Other current assets	1.70	1.67
	23.41	27.23
Plant Investment:		
Land and building	7.68	6.81
Machinery and equipment	33.28	38.11
Other fixed assets	3.74	7.11
	44.70	52.03
Non-Current Assets	2.67	1.10
TOTAL INVESTMENT	70.78	80.36
INVESTMENT TURNOVER PER $100 OF SALES	141.28%	124.44%
EARNINGS		
Cost of Product	$74.59	$70.35
Selling Expenses	9.48	15.20
Administrative Expenses	11.81	12.32
	95.88	97.87
Income Before Interest, Other Income, and Taxes	4.12	2.13
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	5.82%	2.65%

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 2.84	$ 7.79	$ 0.31
16.59	14.01	24.91
3.48	2.86	5.87
0.05	0.02	0.03
2.67	5.12	0.35
25.63	29.80	31.47
6.57	0.00	0.00
30.91	38.26	38.90
3.87	4.66	8.06
41.35	42.92	46.96
1.37	1.17	0.10
68.35	73.89	78.53
146.31%	135.34%	127.34%
$69.23	$57.88	$73.02
12.58	14.83	12.85
11.76	14.30	11.19
93.57	87.01	97.06
6.43	12.99	2.94
9.41%	17.58%	3.74%

REPORT ON OPERATIONS - SALES = 100%

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	0.00	2.20	0.05
Other chargeable materials	19.65	13.26	13.11
Outside services	0.76	4.15	3.90
TOTAL MATERIAL	20.41	19.61	17.06
FACTORY PAYROLL	46.08	36.92	33.55
FACTORY EXPENSES	16.81	14.07	11.36
TOTAL FACTORY COST OF PRODUCT	83.30	70.60	61.97
GROSS PROFIT	16.70	29.40	38.03
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	11.08	11.95	11.61
Selling expenses	4.67	12.52	12.93
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	15.75	24.47	24.54
INCOME BEFORE INTEREST EXPENSE	0.95	4.93	13.49
Interest expense	0.46	2.63	1.90
OPERATING INCOME	0.49	2.30	11.59
Other income	0.71	0.92	0.56
INCOME BEFORE INCOME TAXES	1.20	3.22	12.15

SUPPORTING SCHEDULES - SALES = 100%

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS			
Ink	0.69%	0.07%	0.00%
Film	14.30	8.32	8.17
Plates	3.76	1.10	0.00
Other chargeable materials	0.90	3.77	4.94
TOTAL OTHER CHARGEABLE MATERIALS	19.65	13.26	13.11
OUTSIDE SERVICES			
Composition	0.14	0.07	0.04
Offset preparation	0.62	0.42	0.13
Printing	0.00	2.03	3.57
Binding	0.00	0.08	0.00
Other outside services	0.00	1.55	0.16
TOTAL OUTSIDE SERVICES	0.76	4.15	3.90

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - SALES = 100%

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL			
Salaries - executive	8.10%	2.77%	3.19%
Direct wages	30.51	26.56	21.79
General factory salaries and wages	0.09	1.59	2.48
Packing, shipping and delivery wages	0.09	0.58	0.74
Payroll taxes	3.36	2.60	1.77
Employee benefits	3.93	2.82	3.58
TOTAL FACTORY PAYROLL	46.08	36.92	33.55
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.00	0.29	0.16
Depreciation - other	3.90	4.48	4.70
Taxes - real estate	0.00	0.16	0.02
Taxes - other	0.50	0.18	0.25
Insurance	0.92	0.60	0.45
Building rent	3.79	1.27	0.69
Utilities - heat, light, etc.	2.18	1.31	0.96
Equipment rental	0.00	0.74	0.99
Total Fixed Expenses	11.29	9.03	8.22
Other Expenses			
Factory supplies and expense	1.03	1.69	0.90
Packing, shipping and delivery expense	1.10	1.04	0.55
Repairs and maintenance	2.17	1.58	1.14
Other factory expenses	1.22	0.73	0.55
Total Other Expenses	5.52	5.04	3.14
TOTAL FACTORY EXPENSES	16.81	14.07	11.36
ADMINISTRATIVE EXPENSES			
Salaries - executive	4.24	4.06	2.76
Salaries - office	3.11	2.16	2.26
Payroll taxes	0.31	0.61	0.31
Employee benefits	0.18	0.72	1.04
Bad debts	0.27	0.63	0.47
Office supplies and expenses	0.25	0.42	0.46
Professional fees	0.50	0.77	1.90
Taxes - business	0.00	0.19	0.41
Telephone	0.27	0.83	0.99
Other administrative expenses	1.95	1.56	1.01
TOTAL ADMINISTRATIVE EXPENSES	11.08	11.95	11.61
SELLING EXPENSES			
Salaries - executive	0.33	1.37	1.35
Salaries and commissions - salesmen	1.73	6.54	5.13
Salaries - sales office clerical	0.21	0.42	1.20
Payroll taxes	0.15	0.44	0.42
Employee benefits	0.21	0.46	0.76
Advertising	0.07	0.78	2.31
Travel and entertainment	1.34	1.48	1.14
Other selling expenses	0.63	1.03	0.62
TOTAL SELLING EXPENSES	4.67	12.52	12.93

** Sample insufficient for Profit Leaders.

BALANCE SHEET

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
ASSETS			
CURRENT ASSETS			
Cash	16.11%	5.91%	9.26%
Receivables	34.19	34.74	35.77
Inventories	6.48	6.06	7.49
Other current assets	3.53	4.23	6.11
TOTAL CURRENT ASSETS	60.31	50.94	58.63
FIXED ASSETS			
Real estate	0.00	11.05	5.65
Less: Accumulated depreciation	0.00	2.18	0.87
	0.00	8.87	4.78
Machinery and equipment	94.98	64.56	61.20
Less: Accumulated depreciation	64.46	33.62	29.75
	30.52	30.94	31.45
Other fixed assets	12.04	10.23	7.05
Less: Accumulated depreciation	2.87	4.74	3.21
	9.17	5.49	3.84
NET FIXED ASSETS	39.69	45.30	40.07
OTHER ASSETS	0.00	3.76	1.30
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	0.46	10.63	6.71
Accounts payable	7.49	8.26	8.58
Other current liabilities	9.41	8.91	13.20
TOTAL CURRENT LIABILITIES	17.36	27.80	28.49
LONG-TERM LIABILITIES	9.06	35.27	20.96
TOTAL LIABILITIES	26.42	63.07	49.45
SHAREHOLDERS' AND PROPRIETORS' EQUITY	73.58	36.93	50.55
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	3.47	1.83	2.00
QUICK RATIO	3.10	1.61	1.80
TOTAL LIABILITIES TO EQUITY	0.36	1.71	0.98
LONG-TERM LIABILITIES TO EQUITY	0.12	0.96	0.41
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.68	0.52	0.49

** Sample insufficient for Profit Leaders.

SIGNIFICANT FACTS

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Average assets per employee - All employees	$ 15,501	$ 34,744	$ 37,168
Average assets per factory employee (Excluding Executives)	23,209	51,073	52,062
Average net worth per employee - All employees	11,448	13,349	18,598
Average gross plant investment per factory employee (Excluding Executives)	24,559	44,105	36,344
Net worth percentage of fixed assets	203.50%	94.97%	127.77%
EMPLOYEES			
Percent factory - All employees	77.38%	73.85%	76.72%
Percent administrative - All employees	17.53	13.20	10.01
Percent sales - All employees	5.09	12.95	13.27
SALES - VALUE OF PRODUCT PRODUCED			
INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 43,829	$ 64,596	$ 72,876
Sales per factory employee	58,991	88,486	95,404
Sales less material per factory employee	47,207	71,281	79,044
Sales per administrative employee	339,721	564,131	736,806
EXCLUDING EXECUTIVES			
Sales per employee - All employees	52,443	72,221	80,650
Sales per factory employee	66,057	94,723	101,183
Sales less material per factory employee	52,810	76,375	83,885
SALES PER SALESMAN	184,845	502,468	704,909
SALES TO CURRENT ASSETS	557%	403%	358%
PAYROLL - INCLUDING TAXES AND BENEFITS			
INCLUDING EXECUTIVES			
Total payroll percentage of sales	56.54%	53.69%	48.78%
Factory payroll percentage of gross plant investment	143.27	92.20	107.02
Payroll per employee - All employees	$ 24,668	$ 34,688	$ 36,048
Payroll per factory employee	26,292	32,202	32,366
Payroll per administrative employee	18,365	39,598	45,462
Payroll per sales employee	7,894	47,158	50,499
PAYROLL - EXCLUDING TAXES AND BENEFITS			
EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 19,270	$ 27,206	$ 27,497
Payroll per factory employee	20,630	26,516	25,424
Payroll per administrative employee	12,919	16,342	21,980
Payroll per sales employee	6,435	39,086	42,205
EXECUTIVE PAYROLL			
Payroll per executive - All executives	32,089	55,571	52,405
Payroll per factory executive	30,970	35,478	50,138
Payroll per administrative executive	26,160	74,549	73,399
Payroll per sales executive	10,826	41,157	47,956
RECEIVABLES			
Collection period	48.2	66.7	62.5
PROFIT			
Gross profit percentage of sales	16.70%	29.40%	38.03%
Average gross profit per factory employee	$ 11,714	$ 28,705	$ 38,359
Income before taxes percentage of sales	1.20%	3.22%	12.15%
Average income before taxes per employee	$ 737	$ 2,325	$ 8,967

** Sample insufficient for Profit Leaders.

RETURN ON INVESTMENT - PER $100 OF SALES

	BLACK AND WHITE**	COLOR WORK	
	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT			
Current Assets:			
Cash	$ 4.38	$ 3.32	$ 5.30
Receivables	12.86	17.54	17.02
Inventories	2.20	2.94	3.76
Marketable securities	0.00	0.39	0.17
Other current assets	1.03	1.88	3.43
	20.47	26.07	29.68
Plant Investment:			
Land and building	0.00	7.83	2.58
Machinery and equipment	31.83	33.70	30.08
Other fixed assets	4.21	4.91	3.42
	36.04	46.44	36.08
Non-Current Assets	0.00	1.96	0.78
TOTAL INVESTMENT	56.51	74.47	66.54
INVESTMENT TURNOVER PER $100 OF SALES	176.96%	134.28%	150.29%
EARNINGS			
Cost of Product	$83.30	$70.60	$61.97
Selling Expenses	4.67	12.52	12.93
Administrative Expenses	11.08	11.95	11.61
	99.05	95.07	86.51
Income Before Interest, Other Income, and Taxes	0.95	4.93	13.49
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	1.68%	6.62%	20.27%

** Sample insuffiicent for Profit Leaders.

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	32	$1,866,000	$3,558,000	$150,000
TOTAL - PROFIT LEADERS*	3	2,582,000	4,997,000	622,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$500,000	2	91,000	281,000	(22,000)
$500,000-$1,500,000	7	554,000	1,014,000	16,000
$1,500,000-$3,000,000	10	1,163,000	2,153,000	48,000
Over $3,000,000	13	3,385,000	6,513,000	326,000
PROFIT LEADERS				
Over $3,000,000	3	2,582,000	4,997,000	622,000
BY MARKET				
ALL FIRMS				
Printers and Lithographers	14	2,005,000	3,826,000	156,000
Advertising Agencies	6	1,406,000	2,520,000	(1,000)
Publishers	7	2,223,000	4,492,000	283,000
Carton Manufacturers	2	556,000	1,224,000	47,000
PROFIT LEADERS				
Publishers	2	2,508,000	4,506,000	581,000
BY TYPE OF WORK				
ALL FIRMS				
Black and White	4	330,000	906,000	32,000
Color Work	28	2,085,000	3,937,000	167,000
PROFIT LEADERS				
Color Work	3	2,582,000	4,997,000	622,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 30.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

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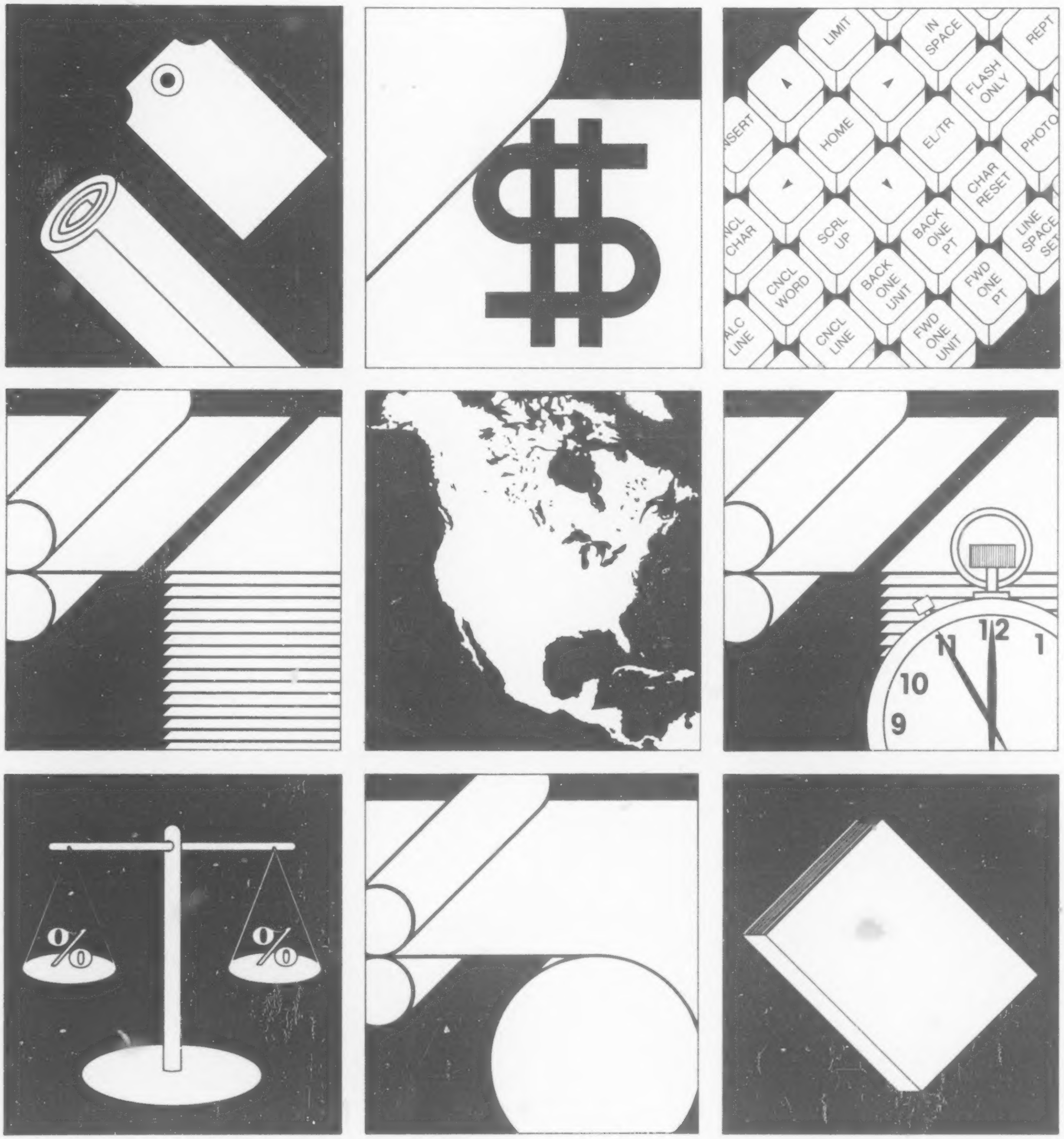
Printing
Industries of
America, Inc.

1983
Financial Ratios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Volume XIII
Binders' Ratios

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management
  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

BINDERS

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PRINTING INDUSTRIES OF AMERICA, INC.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

Edited and Prepared by H. R. Margolis Company,
Certified Public Accountants
New York and Philadelphia (Bala Cynwyd)

Printed in U.S.A.

H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Offices.
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1983 PIA FINANCIAL RATIOS FOR BINDERS who participated in the 1983 Ratio Studies. This Ratio Study was developed on the basis of questionnaires volunteered by 20 firms and presents the ratios and statistics of Binders by sales volume and product specialty.

Thus, the user of the report can direct himself to the standards for his sales size and product specialty in the Report on Operations and its Supporting Schedules, Balance Sheet, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Jim Olsen
Vice-President
Management Services
Printing Industries of America, Inc.
1730 North Lynn Street
Arlington, VA 22209 — (703) 841-8139

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REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS*
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIAL		
Chargeable materials	9.65	7.41
Outside services	1.55	1.43
TOTAL MATERIAL	11.20	8.84
FACTORY PAYROLL	46.95	44.33
FACTORY EXPENSES	18.15	17.62
TOTAL FACTORY COST OF PRODUCT	76.30	70.79
GROSS PROFIT	23.70	29.21
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	14.14	16.44
Selling expenses	5.08	3.09
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	19.22	19.53
INCOME BEFORE INTEREST EXPENSE	4.48	9.68
Interest expense	1.89	0.45
OPERATING INCOME (LOSS)	2.59	9.23
Other income	0.63	0.69
INCOME BEFORE INCOME TAXES	3.22	9.92

* "Profit Leaders" are those firms which earned 8% or greater pretax profit on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
7.21	9.27	3.84	20.44
1.29	0.81	1.97	1.40
8.50	10.08	5.81	21.84
49.15	47.65	55.86	39.94
17.47	14.10	19.81	15.93
75.12	71.83	81.48	77.71
24.88	28.17	18.52	22.29
16.11	15.73	11.12	10.58
3.44	3.44	5.43	9.16
19.55	19.17	16.55	19.74
5.33	9.00	1.97	2.55
1.86	0.56	2.36	2.04
3.47	8.44	(0.39)	0.51
0.61	0.86	0.47	0.88
4.08	9.30	0.08	1.39

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	3.88%	3.14%
Direct wages	33.10	35.34
General factory salaries and wages	1.01	0.03
Packing, shipping and delivery wages	1.81	0.83
Payroll taxes	3.49	2.09
Employee benefits	3.66	2.90
TOTAL FACTORY PAYROLL	46.95	44.33
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.29	0.37
Depreciation - other	4.20	3.64
Taxes - real estate	0.41	0.61
Taxes - other	0.20	0.26
Insurance	1.31	2.11
Building rent	2.04	0.98
Utilities - heat, light, etc.	1.94	1.63
Equipment rental	0.37	0.00
Total Fixed Expenses	10.76	9.60
Other Expenses		
Factory supplies and expense	1.49	2.26
Packing, shipping and delivery expense	2.16	1.66
Repairs and maintenance	2.15	2.29
Other factory expenses	1.59	1.81
Total Other Expenses	7.39	8.02
TOTAL FACTORY EXPENSES	18.15	17.62
ADMINISTRATIVE EXPENSES		
Salaries - executive	5.90	6.79
Salaries - office	2.97	4.08
Payroll taxes	0.60	0.64
Employee benefits	0.65	0.81
Bad debts	0.51	1.27
Office supplies and expenses	0.46	0.21
Professional fees	0.63	0.20
Taxes - business	0.35	0.87
Telephone	0.63	0.59
Other administrative expenses	1.44	0.98
TOTAL ADMINISTRATIVE EXPENSES	14.14	16.44
SELLING EXPENSES		
Salaries - executive	0.95	0.00
Salaries and commissions - salesmen	1.13	0.00
Salaries - sales office clerical	0.77	1.41
Payroll taxes	0.09	0.00
Employee benefits	0.08	0.00
Advertising	0.55	0.36
Travel and entertainment	0.58	0.46
Other selling expenses	0.93	0.86
TOTAL SELLING EXPENSES	5.08	3.09

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
4.75%	3.93%	4.80%	2.20%
35.53	36.97	37.78	25.82
0.48	0.04	2.01	1.76
1.65	1.03	3.22	1.68
3.12	2.05	3.34	4.62
3.62	3.63	4.71	3.86
49.15	47.65	55.86	39.94
0.29	0.19	0.40	0.04
4.51	3.24	3.99	3.40
0.45	0.77	0.69	0.25
0.29	0.33	0.00	0.18
1.57	1.44	0.49	0.53
2.31	1.23	1.41	2.26
1.92	1.36	2.22	1.66
0.16	0.00	0.32	0.93
11.50	8.56	9.52	9.25
1.08	1.11	1.19	1.50
1.26	0.71	4.98	1.77
2.05	2.57	2.93	2.11
1.58	1.15	1.19	1.30
5.97	5.54	10.29	6.68
17.47	14.10	19.81	15.93
8.27	8.48	3.44	3.27
2.32	2.29	2.62	2.96
0.60	0.58	0.44	0.64
0.86	1.01	0.52	0.42
0.49	0.98	0.71	0.05
0.51	0.27	0.54	0.39
0.54	0.25	0.48	1.06
0.53	1.09	0.20	0.11
0.57	0.41	0.86	0.51
1.42	0.37	1.31	1.17
16.11	15.73	11.12	10.58
0.74	0.00	1.30	1.38
0.58	0.00	1.61	2.30
0.64	1.77	0.92	1.12
0.03	0.00	0.06	0.24
0.01	0.00	0.27	0.16
0.11	0.03	0.54	1.28
0.51	0.57	0.56	0.88
0.82	1.07	0.17	1.80
3.44	3.44	5.43	9.16

BALANCE SHEET

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	10.16%	15.54%
Receivables	29.03	21.66
Inventories	7.91	2.87
Other current assets	3.36	4.30
TOTAL CURRENT ASSETS	50.46	44.37
FIXED ASSETS		
Real estate	16.74	33.92
Less: Accumulated depreciation	5.30	11.45
	11.44	22.47
Machinery and equipment	87.12	90.15
Less: Accumulated depreciation	57.84	65.92
	29.28	24.23
Other fixed assets	8.80	9.08
Less: Accumulated depreciation	4.00	2.57
	4.80	6.51
NET FIXED ASSETS	45.52	53.21
OTHER ASSETS	4.02	2.42
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	8.95	3.37
Accounts payable	6.72	4.12
Other current liabilities	11.06	20.01
TOTAL CURRENT LIABILITIES	26.73	27.50
LONG-TERM LIABILITIES	22.92	15.70
TOTAL LIABILITIES	49.65	43.20
SHAREHOLDERS' AND PROPRIETORS' EQUITY	50.35	56.80
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.89	1.61
QUICK RATIO	1.59	1.51
TOTAL LIABILITIES TO EQUITY	0.99	0.76
LONG-TERM LIABILITIES TO EQUITY	0.46	0.28
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.66	0.73

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
14.77%	18.89%	2.23%	6.38%
24.42	24.54	35.95	38.77
4.69	3.59	2.98	19.54
4.47	5.22	1.70	2.47
48.35	52.24	42.86	67.16
18.93	25.80	14.98	3.06
4.66	4.50	3.47	1.01
14.27	21.30	11.51	2.05
95.18	88.53	91.00	65.15
67.91	68.10	53.82	38.23
27.27	20.43	37.18	26.92
9.21	6.23	7.58	6.30
4.41	3.22	4.50	3.60
4.80	3.01	3.08	2.70
46.34	44.74	51.77	31.67
5.31	3.02	5.37	1.17
100.00	100.00	100.00	100.00
5.84	2.66	8.20	16.79
3.43	2.83	7.26	13.12
11.73	19.96	4.45	11.73
21.00	25.45	19.91	41.64
24.06	7.92	25.35	14.17
45.06	33.37	45.26	55.81
54.94	66.63	54.74	44.19
100.00	100.00	100.00	100.00

2.30	2.05	2.15	1.61
2.08	1.91	2.00	1.14
0.82	0.50	0.83	1.26
0.44	0.12	0.46	0.32
0.71	0.77	0.59	0.59

SIGNIFICANT FACTS

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 18,518	$ 17,150
Average assets per factory employee (Excluding Executives)	23,395	22,451
Average net worth per employee - All employees	9,179	10,004
Average gross plant investment per factory employee (Excluding Executives)	25,555	29,884
Net worth percentage of fixed assets	145.85%	149.63%
EMPLOYEES		
Percent factory - All employees	83.54%	80.46%
Percent administrative - All employees	12.79	16.38
Percent sales - All employees	3.67	3.16
SALES - VALUE OF PRODUCT PRODUCED		
INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 36,551	$ 36,288
Sales per factory employee	44,591	45,599
Sales less material per factory employee	38,701	41,632
Sales per administrative employee	314,695	254,123
EXCLUDING EXECUTIVES		
Sales per employee - All employees	40,846	40,226
Sales per factory employee	46,882	47,820
Sales less material per factory employee	40,598	43,522
SALES PER SALESMAN	736,083	0
SALES TO CURRENT ASSETS	465%	676%
PAYROLL - INCLUDING TAXES AND BENEFITS		
INCLUDING EXECUTIVES		
Total payroll percentage of sales	60.08%	58.07%
Factory payroll percentage of gross plant investment	99.15	88.58
Payroll per employee - All employees	$ 21,512	$ 21,150
Payroll per factory employee	19,844	20,034
Payroll per administrative employee	29,844	31,036
Payroll per sales employee	21,837	3,707
PAYROLL - EXCLUDING TAXES AND BENEFITS		
EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 16,095	$ 16,668
Payroll per factory employee	15,798	17,126
Payroll per administrative employee	12,492	10,207
Payroll per sales employee	17,857	3,707
EXECUTIVE PAYROLL		
Payroll per executive - All executives	39,093	31,504
Payroll per factory executive	29,689	16,516
Payroll per administrative executive	45,006	39,553
Payroll per sales executive	19,943	0
RECEIVABLES		
Collection period	55.1	40.2
PROFIT		
Gross profit percentage of sales	23.70%	29.21%
Average gross profit per factory employee	$ 11,725	$ 14,190
Income before taxes percentage of sales	3.22%	9.92%
Average income before taxes per employee	$ 1,136	$ 3,570

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 18,805	$ 17,392	$ 17,644	$ 18,881
23,464	22,400	20,841	24,924
9,851	11,799	10,016	8,472
28,510	26,961	23,721	16,950
153.18%	182.03%	107.65%	177.84%
84.00%	82.71%	88.77%	81.82%
13.14	13.34	8.53	11.41
2.86	3.95	2.70	6.77
$ 36,369	$ 36,725	$ 29,479	$ 41,596
43,423	44,909	33,251	53,213
39,698	40,419	31,198	39,452
294,156	287,430	345,799	379,981
41,440	41,647	31,954	46,132
45,788	47,685	34,915	56,175
41,781	42,780	32,746	41,529
0	0	450,000	1,022,167
436%	432%	398%	334%
63.21%	61.79%	67.04%	52.41%
90.58	101.69	92.98	134.29
$ 23,039	$ 22,709	$ 19,635	$ 20,599
21,427	21,289	18,416	18,183
34,248	35,127	24,735	26,257
10,770	4,634	43,378	37,624
$ 17,027	$ 17,378	$ 15,218	$ 15,025
17,265	17,928	14,821	13,532
10,885	9,359	14,003	14,899
7,328	4,634	32,599	35,748
43,329	39,381	38,472	37,966
33,740	20,645	33,757	24,272
49,223	49,441	34,096	51,277
7,875	0	37,600	39,886
47.1	45.9	80.2	65.2
24.88%	28.17%	18.52%	22.29%
$ 11,414	$ 13,704	$ 6,582	$ 14,611
4.08%	9.30%	0.08%	1.39%
$ 1,426	$ 3,393	$ 88	$ 498

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 5.10	$ 6.99
Receivables	14.64	10.42
Inventories	3.63	1.32
Marketable securities	0.64	1.76
Other current assets	1.19	0.68
	25.20	21.17
Plant Investment:		
Land and building	8.28	15.27
Machinery and equipment	45.58	42.18
Other fixed assets	4.63	4.50
	58.49	61.95
Non-Current Assets	2.23	1.43
TOTAL INVESTMENT	85.92	84.55
INVESTMENT TURNOVER PER $100 OF SALES	116.39%	118.27%
EARNINGS		
Cost of Product	$76.30	$70.79
Selling Expenses	5.08	3.09
Administrative Expenses	14.14	16.44
	95.52	90.32
Income Before Interest, Other Income and Taxes	4.48	9.68
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	5.21%	11.45%

** Sample insufficient for Profit Leaders.

SALES FROM $500,000-$1,500,000		SALES FROM $1,500,000-$3,000,000**	SALES OVER $3,000,000**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 7.36	$ 8.48	$ 1.20	$ 3.27
12.38	11.83	21.48	17.46
2.34	1.65	1.83	8.29
1.15	2.20	0.05	0.00
1.34	0.79	0.93	1.21
24.57	24.95	25.49	30.23
8.60	11.32	11.26	1.22
49.01	41.40	55.75	32.01
4.91	3.22	4.50	3.09
62.52	55.94	71.51	36.32
2.92	1.79	3.28	0.52
90.01	82.68	100.28	67.07
111.10%	120.95%	99.72%	149.10%
$75.12	$71.83	$81.48	$77.71
3.44	3.44	5.43	9.16
16.11	15.73	11.12	10.58
94.67	91.00	98.03	97.45
5.33	9.00	1.97	2.55
5.92%	10.89%	1.96%	3.80%

REPORT ON OPERATIONS - SALES = 100%

	PAMPHLET** ALL FIRMS	EDITION BOOKS** ALL FIRMS	LOOSELEAF** ALL FIRMS	NO PREDOMINANT SPECIALTY** ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Chargeable materials	3.33	15.67	11.16	11.94
Outside services	1.67	0.99	0.00	1.58
TOTAL MATERIAL	5.00	16.66	11.16	13.52
FACTORY PAYROLL	55.18	41.53	46.09	46.56
FACTORY EXPENSES	18.52	15.78	14.62	19.32
TOTAL FACTORY COST OF PRODUCT	78.70	73.97	71.87	79.40
GROSS PROFIT	21.30	26.03	28.13	20.60
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.05	15.16	11.15	14.32
Selling expenses	3.79	4.59	9.72	2.62
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	17.84	19.75	20.87	16.94
INCOME BEFORE INTEREST EXPENSE	3.46	6.28	7.26	3.66
Interest expense	1.79	2.37	2.18	1.73
OPERATING INCOME	1.67	3.91	5.08	1.93
Other income	0.38	1.04	0.67	0.92
INCOME BEFORE INCOME TAXES	2.05	4.95	5.75	2.85

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - SALES = 100%

	PAMPHLET** ALL FIRMS	EDITION BOOKS** ALL FIRMS	LOOSELEAF** ALL FIRMS	NO PREDOMINANT SPECIALTY** ALL FIRMS
FACTORY PAYROLL				
Salaries - executive	3.64%	5.15%	0.61%	5.87%
Direct wages	39.92	29.47	33.92	31.30
General factory salaries and wages	0.97	0.30	0.00	1.48
Packing, shipping and delivery wages	1.91	1.32	0.69	2.37
Payroll taxes	4.13	2.60	6.34	2.42
Employee benefits	4.61	2.69	4.53	3.12
TOTAL FACTORY PAYROLL	55.18	41.53	46.09	46.56
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.41	0.74	0.17	0.07
Depreciation - other	4.63	2.38	4.58	4.70
Taxes - real estate	0.41	0.55	1.14	0.33
Taxes - other	0.05	0.50	0.02	0.41
Insurance	1.15	1.62	0.65	1.16
Building rent	2.28	1.70	1.37	2.45
Utilities - heat, light, etc.	2.22	1.72	1.20	2.24
Equipment rental	0.05	0.00	0.24	0.50
Total Fixed Expenses	11.20	9.21	9.37	11.86
Other Expenses				
Factory supplies and expense	1.26	2.37	1.47	0.66
Packing, shipping and delivery expense	2.58	0.23	0.58	2.37
Repairs and maintenance	2.56	0.89	2.02	2.45
Other factory expenses	0.92	3.08	1.18	1.98
Total Other Expenses	7.32	6.57	5.25	7.46
TOTAL FACTORY EXPENSES	18.52	15.78	14.62	19.32
ADMINISTRATIVE EXPENSES				
Salaries - executive	7.24	9.23	4.72	4.90
Salaries - office	2.64	1.37	1.27	3.37
Payroll taxes	0.69	0.68	0.21	0.41
Employee benefits	0.54	1.94	0.09	0.62
Bad debts	0.18	0.04	1.82	0.49
Office supplies and expenses	0.32	0.59	0.27	0.33
Professional fees	0.52	0.29	1.14	0.75
Taxes - business	0.10	0.02	0.05	0.86
Telephone	0.55	0.24	0.33	0.72
Other administrative expenses	1.27	0.76	1.25	1.87
TOTAL ADMINISTRATIVE EXPENSES	14.05	15.16	11.15	14.32
SELLING EXPENSES				
Salaries - executive	1.17	2.54	0.61	0.35
Salaries and commissions - salesmen	0.83	0.00	0.96	0.93
Salaries - sales office clerical	0.25	0.00	4.05	0.54
Payroll taxes	0.04	0.18	0.17	0.07
Employee benefits	0.13	0.04	0.05	0.08
Advertising	0.15	0.00	0.19	0.24
Travel and entertainment	0.43	1.23	1.16	0.21
Other selling expenses	0.79	0.60	2.53	0.20
TOTAL SELLING EXPENSES	3.79	4.59	9.72	2.62

** Sample insufficient for Profit Leaders.

BALANCE SHEET

	PAMPHLET** ALL FIRMS	EDITION BOOKS** ALL FIRMS	LOOSELEAF** ALL FIRMS	NO PREDOMINANT SPECIALTY** ALL FIRMS
ASSETS				
CURRENT ASSETS				
Cash	5.34%	19.75%	14.84%	13.48%
Receivables	31.63	27.80	29.70	26.05
Inventories	3.09	9.98	4.03	9.77
Other current assets	5.44	5.92	3.67	1.65
TOTAL CURRENT ASSETS	45.50	63.45	52.24	50.95
FIXED ASSETS				
Real estate	16.58	33.33	22.95	8.56
Less: Accumulated depreciation	3.11	14.27	5.31	1.23
	13.47	19.06	17.64	7.33
Machinery and equipment	74.99	82.06	117.75	102.95
Less: Accumulated depreciation	45.12	67.14	94.86	68.64
	29.87	14.92	22.89	34.31
Other fixed assets	10.14	6.76	11.36	5.55
Less: Accumulated depreciation	4.48	4.29	5.82	2.61
	5.66	2.47	5.54	2.94
NET FIXED ASSETS	49.00	36.45	46.07	44.58
OTHER ASSETS	5.50	0.10	1.69	4.47
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	8.76	0.12	6.46	10.03
Accounts payable	4.88	6.05	10.27	7.06
Other current liabilities	10.52	2.02	40.63	5.78
TOTAL CURRENT LIABILITIES	24.16	8.19	57.36	22.87
LONG-TERM LIABILITIES	21.22	26.29	22.10	20.84
TOTAL LIABILITIES	45.38	34.48	79.46	43.71
SHAREHOLDERS' AND PROPRIETORS' EQUITY	54.62	65.52	20.54	56.29
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

	PAMPHLET** ALL FIRMS	EDITION BOOKS** ALL FIRMS	LOOSELEAF** ALL FIRMS	NO PREDOMINANT SPECIALTY** ALL FIRMS
CURRENT RATIO	1.88	7.75	0.91	2.23
QUICK RATIO	1.76	6.53	0.84	1.80
TOTAL LIABILITIES TO EQUITY	0.83	0.53	3.87	0.78
LONG-TERM LIABILITIES TO EQUITY	0.39	0.40	1.08	0.37
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.60	0.82	0.81	0.67

** Sample insufficient for Profit Leaders.

SIGNIFICANT FACTS

	PAMPHLET**	EDITION BOOKS**	LOOSELEAF**	NO PREDOMINANT SPECIALTY**
	ALL FIRMS	ALL FIRMS	ALL FIRMS	ALL FIRMS
INVESTMENT				
Average assets per employee-All employees	$ 18,872	$ 18,657	$ 20,100	$ 17,035
Average assets per factory employee (Excluding Executives)	22,240	23,900	25,784	21,497
Average net worth per employee - All employees	9,463	12,632	4,463	9,788
Average gross plant investment per factory employee (Excluding Executives)	22,376	28,416	37,602	25,124
Net worth percentage of fixed assets	119.92%	237.06%	43.61%	163.31%
EMPLOYEES				
Percent factory - All employees	86.83%	85.02%	78.13%	85.22%
Percent administrative - All employees	11.82	11.03	9.91	12.53
Percent sales - All employees	1.35	3.95	11.96	2.25
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 33,076	$ 39,789	$ 39,740	$ 32,962
Sales per factory employee	38,245	46,747	51,156	38,742
Sales less material per factory employee	36,216	39,031	45,867	33,044
Sales per administrative employee	294,571	378,964	401,325	289,895
EXCLUDING EXECUTIVES				
Sales per employee - All employees	36,429	47,865	43,105	36,906
Sales per factory employee	39,265	50,915	51,486	41,746
Sales less material per factory employee	37,190	42,504	46,132	35,648
SALES PER SALESMAN	500,000	0	1,044,333	1,000,000
SALES TO CURRENT ASSETS	412%	345%	388%	430%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	68.71%	57.51%	58.21%	57.81%
Factory payroll percentage of gross plant investment	106.95	106.43	65.07	86.66
Payroll per employee - All employees	$ 22,512	$ 23,108	$ 23,277	$ 18,852
Payroll per factory employee	20,995	19,515	23,903	17,712
Payroll per administrative employee	31,378	46,593	25,169	23,996
Payroll per sales employee	28,699	12,223	20,025	19,657
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 16,641	$ 15,647	$ 18,024	$ 14,464
Payroll per factory employee	16,559	15,956	18,382	14,290
Payroll per administrative employee	12,523	11,250	6,917	14,608
Payroll per sales employee	20,641	0	17,268	15,908
EXECUTIVE PAYROLL				
Payroll per executive - All executives	44,845	42,059	33,187	34,636
Payroll per factory executive	34,684	28,286	20,000	32,286
Payroll per administrative executive	40,165	59,225	32,062	42,911
Payroll per sales executive	29,484	11,260	20,000	21,721
RECEIVABLES				
Collection period	61.9	48.1	62.2	50.7
PROFIT				
Gross profit percentage of sales	21.30%	26.03%	28.13%	20.60%
Average gross profit per factory employee	$ 8,363	$ 13,222	$ 14,858	$ 8,573
Income before taxes percentage of sales	2.05%	4.95%	5.75%	2.85%
Average income before taxes per employee	$ 592	$ 2,126	$ 2,350	$ 947

** Sample insufficient for Profit Leaders.

RETURN ON INVESTMENT - PER $100 OF SALES

	PAMPHLET** ALL FIRMS	EDITION BOOKS** ALL FIRMS	LOOSELEAF** ALL FIRMS	NO PREDOMINANT SPECIALTY** ALL FIRMS
INVESTMENT				
Current Assets:				
Cash	$ 2.98	$ 8.85	$ 6.72	$ 7.12
Receivables	16.86	13.14	15.36	13.36
Inventories	1.56	4.70	2.46	4.89
Marketable securities	2.13	0.00	0.00	0.00
Other current assets	1.12	2.94	1.91	0.87
	24.65	29.63	26.45	26.24
Plant Investment:				
Land and building	9.44	16.38	9.40	3.97
Machinery and equipment	43.29	39.46	56.54	54.73
Other fixed assets	5.83	3.35	5.77	2.86
	58.56	59.19	71.71	61.56
Non-Current Assets	3.16	0.05	0.84	2.58
TOTAL INVESTMENT	86.37	88.87	99.00	90.38
INVESTMENT TURNOVER PER $100 OF SALES	115.78%	112.52%	101.01%	110.64%
EARNINGS				
Cost of Product	$78.70	$73.97	$71.87	$79.40
Selling Expenses	3.79	4.59	9.72	2.62
Administrative Expenses	14.05	15.16	11.15	14.32
	96.54	93.72	92.74	96.34
Income Before Interest, Other Income, and Taxes	3.46	6.28	7.26	3.66
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	4.01%	7.07%	7.33%	4.05%

** Sample insufficient for Profit Leaders.

ABSOLUTE DATA

		AVERAGE FIRM REPORTING**		
	NUMBER OF PARTICIPATING FIRMS	TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	20	$1,022,000	$2,092,000	$ 32,000
TOTAL - PROFIT LEADERS*	5	335,000	673,000	64,000
BY SIZE OF FIRM				
ALL FIRMS				
$500,000-$1,500,000	11	478,000	921,000	33,000
$1,500,000-$3,000,000	3	1,471,000	2,343,000	(9,000)
Over $3,000,000	5	2,145,000	4,913,000	59,000
PROFIT LEADERS				
$500,000-$1,500,000	4	404,000	811,000	76,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Pamphlet	6	1,063,000	1,994,000	37,000
Edition	2	442,000	916,000	32,000
Looseleaf	2	1,160,000	2,030,000	68,000
No Predominant Specialty	6	1,071,000	2,117,000	30,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of its size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages.

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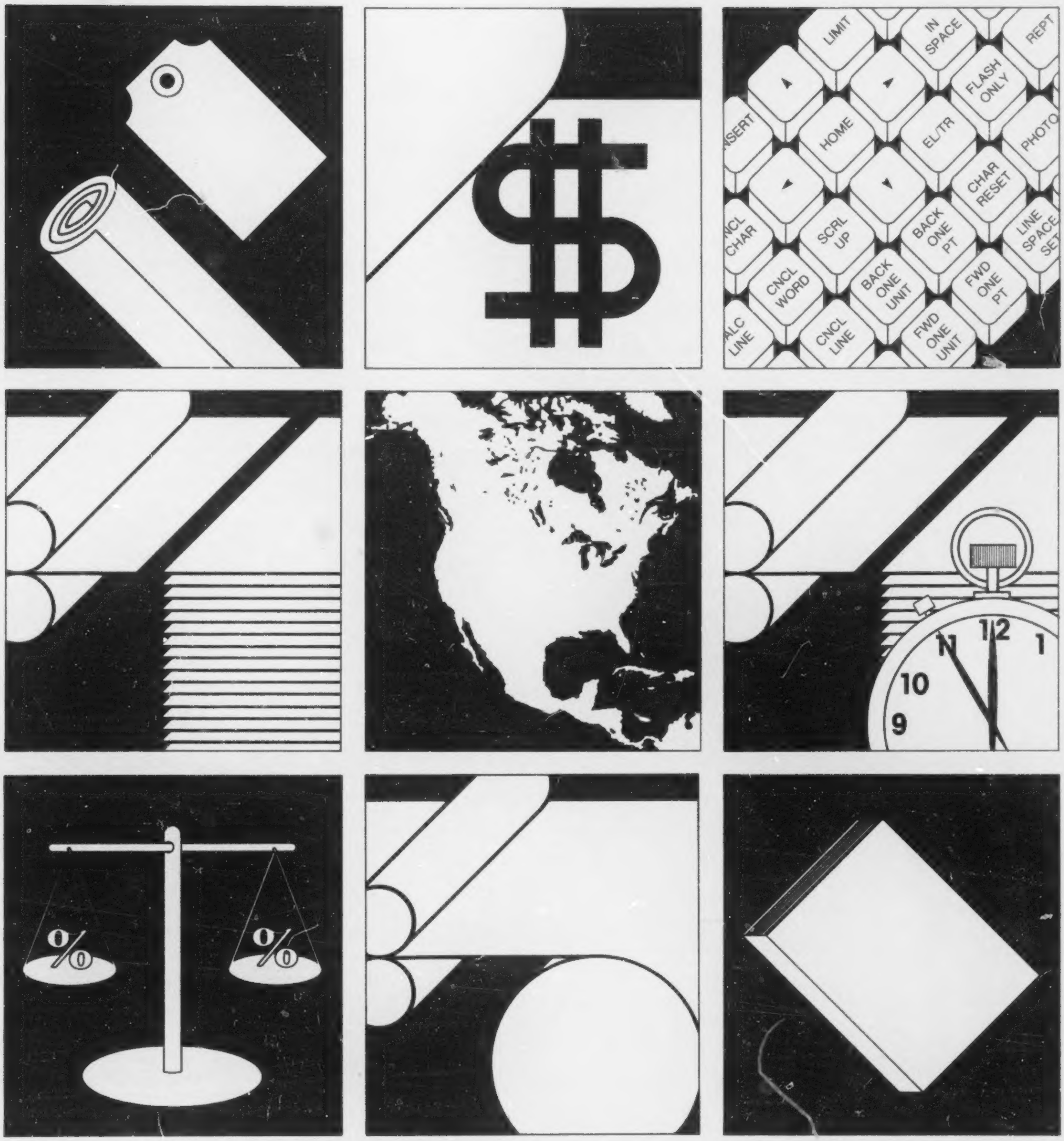
Printing
Industries of
America, Inc.

1983
Financial
Ratios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Volume XIV

Quick Printers' Ratios

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state and city associations composed of over 10,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's local or affiliated Printing Industries Associations automatically entitles an organization PIA membership.

The Association's services in the financial management area are extensive, and include —

- Annual Financial *Ratio Studies*
- *Money Manager* — a monthly newsletter for graphic arts executives who manage their companies' financial resources
- PAIS (Printer's Accounting and Information System), a comprehensive computer software package for printing firms
- *Costing, Estimating and Pricing Conference* — now an annual national conference concerning financial management

  Value Added: Financial Management: A Guide for Printers by Harris R. Margolis, CPA
- *Printing Industry Financial Executives (PIFE)* — twice-a-year seminars for large company senior financial executives
- *Costs & Prices:* Keys to Growth and Profits
- *Graphic Arts Estimating Manual*
- *How to do Your Own Accounting for a Small Business*
- *Money-making Guide to Printing Estimating*
- Simplified Cost Systems
- *Managing your Printing Business* — conference designed to teach new and experienced managers of small to medium-sized printing companies the techniques and skills for selling, marketing, and other points needed to operate their businesses
- *Best & Worst Markets for Printers in the 1980's* — a unique marketing and financial planning aid, available by subscription

Information on these and other PIA financial and management programs and services is available from

Printing Industries of America, Inc.
Management Services Department
1730 North Lynn Street
Arlington, VA 22209
(703) 841-8194

60TH annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

1983 FINANCIAL RATIOS

QUICK PRINTERS

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PRINTING INDUSTRIES OF AMERICA, INC.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

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Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Quick Printers:

In the accompanying pages are the 1983 PIA FINANCIAL RATIOS FOR QUICK PRINTERS who participated in the 1983 Ratio Studies. This Ratio Study was developed on the basis of questionnaires volunteered by 22 firms and presents the ratios and statistics of Quick Printers by sales volume and location.

Thus the user of the report can direct himself to the standards for his sales size - for example, sales to $250,000, sales from $250,000 to $500,000, etc.; and by location - for example, Metropolitan Area and Non-Metropolitan Area. Readers can compare the data from their own firm's financial statements with similar data from other firms in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H. R. Margolis Company
H. R. MARGOLIS COMPANY

1983 is the 60th consecutive year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1983 these books include:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers' Ratios

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of printers whose results are summarized in "All Printers by Sales Volume."

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Jim Olsen
Vice-President
Management Services
Printing Industries of America, Inc.
1730 North Lynn Street
Arlington, VA 22209 — (703) 841-8139

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If you would like more information concerning the American Quick Printing Association, Printing Industries of America, Inc. or questions about the Radio Studies, Please contact:

Donald M. Piercy
Executive Director
American Quick Printing Association

Printing Industries of the Gulf Coast, Inc.
1324 West Clay Street
Houston, Texas 77019
(713) 961-4281

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM 0-$250,000	
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	14.51	13.85	16.32	17.42
Other chargeable materials	6.90	4.12	5.78	4.62
Outside services	7.99	8.81	10.50	10.23
TOTAL MATERIAL	29.40	26.78	32.60	32.27
FACTORY PAYROLL	23.68	24.77	23.03	24.48
FACTORY EXPENSES	18.36	17.26	17.03	15.95
TOTAL FACTORY COST OF PRODUCT	71.44	68.81	72.66	72.70
GROSS PROFIT	28.56	31.19	27.34	27.30
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.69	8.57	15.50	7.53
Selling expenses	5.71	6.21	4.51	3.32
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.40	14.78	20.01	10.85
INCOME BEFORE INTEREST EXPENSE	8.16	16.41	7.33	16.45
Interest expense	1.62	0.98	2.19	1.58
OPERATING INCOME	6.54	15.43	5.14	14.87
Other income (expense)	0.30	0.75	0.24	0.36
INCOME BEFORE INCOME TAXES	6.84	16.18	5.38	15.23

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	1.50%	0.34%	0.96%	0.21%
Film	1.26	0.61	0.66	0.06
Plates	1.44	2.36	1.55	3.99
Other chargeable materials	2.70	0.81	2.61	0.36
TOTAL OTHER CHARGEABLE MATERIALS	6.90	4.12	5.78	4.62
OUTSIDE SERVICES				
Composition	1.45	0.20	1.36	0.23
Offset preparation	0.06	0.29	0.10	0.33
Printing	4.60	6.60	7.32	7.68
Binding	0.12	0.14	0.18	0.16
Other outside services	1.76	1.58	1.54	1.83
TOTAL OUTSIDE SERVICES	7.99	8.81	10.50	10.23

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.
*** Information not submitted.

SALES FROM $250,000-$500,000**	SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%
12.83	14.21	11.04	9.85
8.18	5.77	11.12	5.00
6.76	2.66	9.87	12.75
27.77	22.64	32.03	27.60
23.30	23.74	22.86	21.04
21.05	20.01	16.97	19.03
72.12	66.39	71.86	67.67
27.88	33.61	28.14	32.33
13.56	15.67	10.57	11.25
3.71	11.36	6.40	8.06
17.27	27.03	16.97	19.31
10.61	6.58	11.17	13.02
1.06	1.66	0.93	0.06
9.55	4.92	10.24	12.96
(1.29)	1.59	1.11	1.24
8.26	6.51	11.35	14.20

4.62%		1.29%	0.58%
0.00		3.02	1.36
0.00		3.41	1.53
3.56		3.40	1.53
8.18	***	11.12	5.00
2.88			
0.00			
0.00			
0.00			
3.88			
6.76	***	***	***

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM 0-$250,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.40%	3.00%	1.50%	2.64%
Direct wages	16.92	14.92	16.03	12.83
General factory salaries and wages	1.74	3.73	3.49	6.66
Packing, shipping and delivery wages	0.44	0.70	0.00	0.00
Payroll taxes	1.45	1.34	1.50	1.50
Employee benefits	0.73	1.08	0.51	0.85
TOTAL FACTORY PAYROLL	23.68	24.77	23.03	24.48
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.11	0.00	0.10	0.00
Depreciation - other	3.60	3.55	4.74	4.76
Taxes - real estate	0.10	0.00	0.10	0.00
Taxes - other	0.24	0.24	0.23	0.27
Insurance	0.70	0.71	0.76	0.87
Building rent	3.59	3.33	3.08	3.35
Utilities - heat, light, etc.	0.89	0.88	1.16	1.16
Equipment rental	4.70	4.35	2.33	1.49
Total Fixed Expenses	13.93	13.06	12.50	11.90
Other Expenses				
Factory supplies and expense	0.76	0.81	0.79	0.60
Packing, shipping and delivery expense	1.33	0.91	1.74	0.87
Repairs and maintenance	1.72	1.77	1.23	1.27
Other factory expenses	0.62	0.71	0.77	1.31
Total Other Expenses	4.43	4.20	4.53	4.05
TOTAL FACTORY EXPENSES	18.36	17.26	17.03	15.95
ADMINISTRATIVE EXPENSES				
Salaries - executive	6.51	2.08	6.19	0.00
Salaries - office	2.80	2.14	3.74	2.95
Payroll taxes	0.47	0.27	0.49	0.21
Employee benefits	0.75	0.39	1.01	0.32
Bad debts	0.26	0.24	0.25	0.26
Office supplies and expenses	0.58	0.59	0.72	0.68
Professional fees	0.81	0.90	0.64	0.82
Taxes - business	0.15	0.18	0.11	0.18
Telephone	0.78	0.66	0.86	0.62
Other administrative expenses	1.58	1.12	1.49	1.49
TOTAL ADMINISTRATIVE EXPENSES	14.69	8.57	15.50	7.53
SELLING EXPENSES				
Salaries - executive	0.63	1.60	0.00	0.00
Salaries and commissions - salesmen	1.23	1.49	0.58	0.00
Salaries - sales office clerical	0.35	0.08	0.00	0.00
Payroll taxes	0.15	0.06	0.18	0.00
Employee benefits	0.15	0.19	0.09	0.00
Advertising	1.87	1.93	2.19	2.59
Travel and entertainment	0.66	0.53	0.60	0.30
Other selling expenses	0.67	0.33	0.87	0.43
TOTAL SELLING EXPENSES	5.71	6.21	4.51	3.32

** Sample insufficient for Profit Leaders.

SALES FROM $250,000-$500,000**	SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
2.38%	3.18%	2.08%	3.12%
18.43	18.30	15.75	11.48
0.03	0.00	1.08	1.62
0.01	0.42	1.36	2.04
1.62	1.15	1.35	0.98
0.83	0.69	1.24	1.80
23.30	23.74	22.86	21.04
0.00	0.33	0.00	0.00
3.45	3.03	1.64	1.42
0.00	0.30	0.00	0.00
0.23	0.07	0.20	0.13
0.69	0.45	0.97	0.66
4.52	4.22	2.96	3.01
0.59	0.82	0.61	0.41
8.81	5.79	6.04	8.94
18.29	15.01	12.42	14.57
0.75	0.49	0.89	0.81
0.60	0.78	0.88	1.17
1.39	3.07	2.20	2.27
0.02	0.66	0.58	0.21
2.76	5.00	4.55	4.46
21.05	20.01	16.97	19.03
8.29	5.94	3.84	4.56
0.38	3.00	2.74	2.67
0.53	0.55	0.31	0.24
0.61	0.47	0.62	0.84
0.21	0.34	0.30	0.29
0.49	0.54	0.42	0.62
1.28	0.94	0.62	0.60
0.02	0.27	0.27	0.25
0.69	0.79	0.79	0.57
1.06	2.83	0.66	0.61
13.56	15.67	10.57	11.25
0.00	2.17	1.73	2.59
0.00	3.40	2.50	2.50
0.00	1.79	0.21	0.32
0.00	0.29	0.09	0.14
0.00	0.21	0.51	0.76
1.88	2.40	0.41	0.42
1.02	0.56	0.70	0.96
0.81	0.54	0.25	0.37
3.71	11.36	6.40	8.06

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM 0-$250,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	13.68%	18.79%	9.46%	4.40%
Receivables	21.96	21.24	14.11	12.63
Inventories	9.11	8.23	8.76	6.86
Other current assets	5.31	2.72	7.40	2.20
TOTAL CURRENT ASSETS	50.06	50.98	39.73	26.09
FIXED ASSETS				
Real estate	3.09	1.03	4.33	0.00
Less: Accumulated depreciation	0.60	0.61	0.79	0.00
	2.49	0.42	3.54	0.00
Machinery and equipment	70.72	83.96	88.84	108.17
Less: Accumulated depreciation	35.15	40.94	40.16	40.75
	35.57	43.02	48.68	67.42
Other fixed assets	12.09	8.31	9.07	6.93
Less: Accumulated depreciation	3.74	3.80	1.88	1.02
	8.35	4.51	7.19	5.91
NET FIXED ASSETS	46.41	47.95	59.41	73.33
OTHER ASSETS	3.53	1.07	0.86	0.58
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	6.21	7.25	3.81	2.71
Accounts payable	12.45	8.36	12.10	7.65
Other current liabilities	7.31	6.03	5.00	3.10
TOTAL CURRENT LIABILITIES	25.97	21.64	20.91	13.46
LONG-TERM LIABILITIES	41.33	37.38	61.96	46.89
TOTAL LIABILITIES	67.30	59.02	82.87	60.35
SHAREHOLDERS' AND PROPRIETORS' EQUITY	32.70	40.98	17.13	39.65
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.93	2.36	1.90	1.94
QUICK RATIO	1.58	1.98	1.48	1.43
TOTAL LIABILITIES TO EQUITY	2.06	1.44	4.84	1.52
LONG-TERM LIABILITIES TO EQUITY	1.26	0.91	3.62	1.18
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.50	0.49	0.45	0.38

** Sample insufficient for Profit Leaders.

SALES FROM $250,000-$500,000**	SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
19.55%	14.90%	22.02%	30.80%
24.99	26.31	38.13	41.31
11.79	7.79	9.27	9.89
3.65	1.90	2.36	2.67
59.98	50.90	71.78	84.67
0.00	2.07	0.00	0.00
0.00	1.23	0.00	0.00
0.00	0.84	0.00	0.00
71.23	65.69	27.88	26.18
40.75	35.09	14.95	14.25
30.48	30.60	12.93	11.93
5.50	17.17	23.00	12.57
4.15	2.91	7.88	9.19
1.35	14.26	15.12	3.38
31.83	45.70	28.05	15.31
8.19	3.40	0.17	0.02
100.00	100.00	100.00	100.00
11.20	12.52	1.21	1.82
10.89	10.53	10.86	11.32
6.49	12.65	5.73	3.34
28.58	35.70	17.80	16.48
42.30	15.42	18.78	1.84
70.88	51.12	36.58	18.32
29.12	48.88	63.42	81.68
100.00	100.00	100.00	100.00

2.10	1.43	4.03	5.14
1.69	1.21	3.51	4.54
2.43	1.05	0.58	0.22
1.45	0.32	0.30	0.02
0.57	0.53	0.54	0.54

SIGNIFICANT FACTS

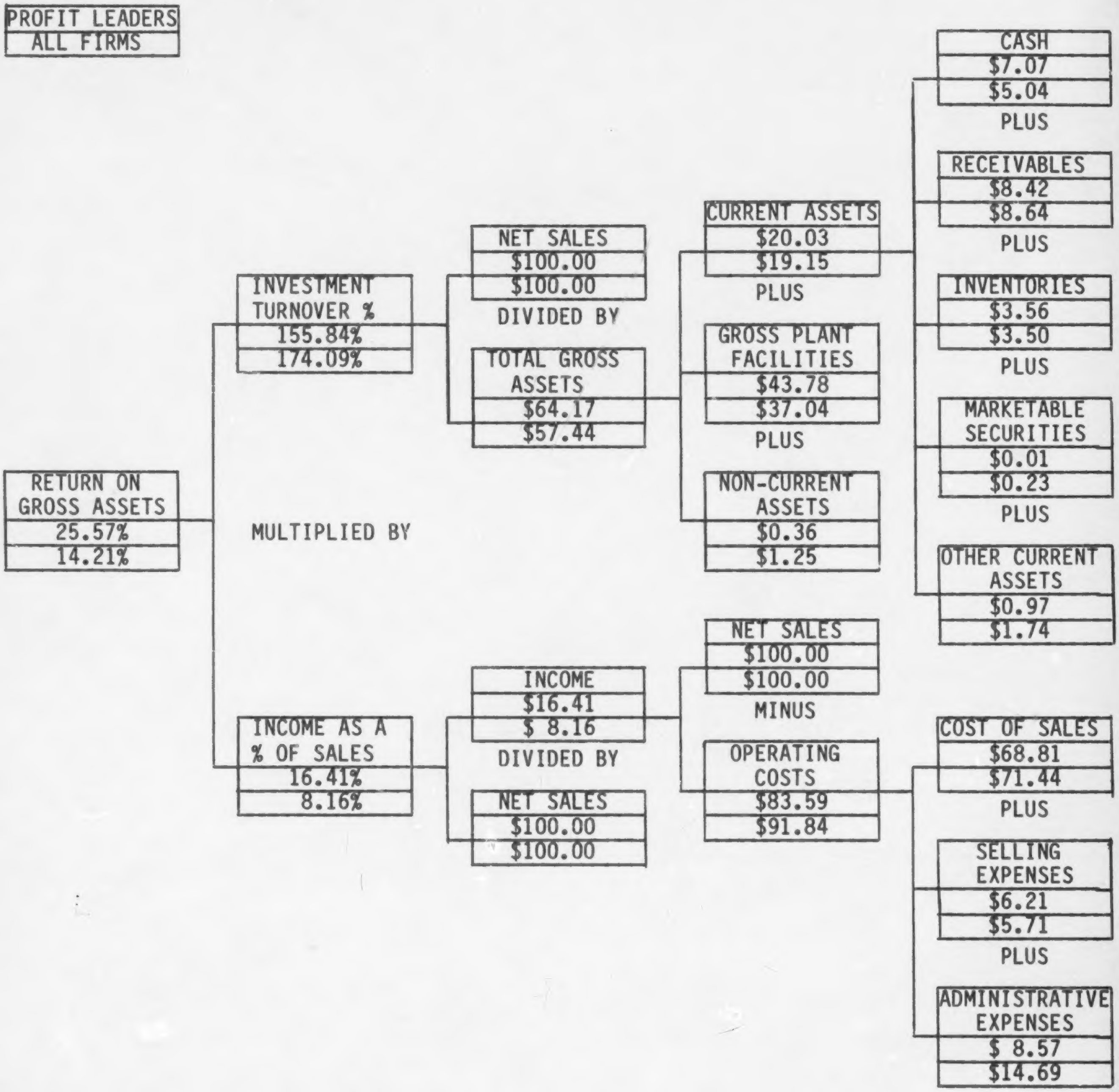
	ALL FIRMS REPORTING		SALES FROM 0-$250,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 20,763	$ 22,340	$ 21,703	$ 26,626
Average assets per factory employee (Excluding Executives)	35,013	32,970	39,999	40,780
Average net worth per employee - All employees	6,696	9,132	4,102	9,529
Average gross plant investment per factory employee (Excluding Executives)	31,629	30,991	39,844	45,427
Net worth percentage of fixed assets	117.48%	248.25%	(25.53)%	68.32%
EMPLOYEES				
Percent factory - All employees	71.51%	81.62%	68.00%	83.33%
Percent administrative - All employees	23.25	13.40	30.00	16.67
Percent sales - All employees	5.24	4.98	2.00	0.00
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 50,311	$ 51,206	$ 47,676	$ 49,309
Sales per factory employee	76,646	70,703	80,610	74,642
Sales less material per factory employee	54,100	50,263	53,826	48,504
Sales per administrative employee	245,797	320,670	88,276	19,000
EXCLUDING EXECUTIVES				
Sales per employee - All employees	61,618	57,567	57,438	51,328
Sales per factory employee	83,496	75,127	86,876	76,661
Sales less material per factory employee	59,299	53,668	58,631	50,008
SALES PER SALESMAN	338,542	422,222	0	0
SALES TO CURRENT ASSETS	704%	837%	911%	1,223%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	36.72%	33.07%	35.32%	27.97%
Factory payroll percentage of gross plant investment	90.32	81.26	59.28	39.12
Payroll per employee - All employees	$ 18,160	$ 16,691	$ 16,523	$ 13,283
Payroll per factory employee	16,796	15,303	16,556	14,225
Payroll per administrative employee	22,997	18,459	13,775	2,562
Payroll per sales employee	7,865	13,574	1,333	0
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 13,746	$ 12,998	$ 13,394	$ 11,296
Payroll per factory employee	14,369	12,961	14,872	12,296
Payroll per administrative employee	7,316	4,838	5,159	2,250
Payroll per sales employee	6,457	10,010	1,223	0
EXECUTIVE PAYROLL				
Payroll per executive - All executives	26,157	20,676	16,323	6,400
Payroll per factory executive	12,732	16,110	4,000	6,400
Payroll per administrative executive	45,606	22,779	13,763	0
Payroll per sales executive	6,281	15,398	0	0
RECEIVABLES				
Collection period	32.7	31.7	21.4	22.6
PROFIT				
Gross profit percentage of sales	28.56%	31.19%	27.34%	27.30%
Average gross profit per factory employee	$ 24,793	$ 25,060	$ 25,477	$ 24,392
Income before taxes percentage of sales	6.84%	16.18%	5.38%	15.23%
Average income before taxes per employee	$ 3,365	$ 8,260	$ 2,694	$ 7,506

** Sample insufficient for Profit Leaders.

SALES FROM $250,000-$500,000**	SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 14,105	$ 26,555	$ 20,812	$ 19,320
19,706	47,198	27,689	26,915
4,178	11,213	12,669	15,801
15,140	45,205	14,235	10,371
149.58%	242.19%	377.41%	540.99%
78.98%	62.95%	78.72%	77.39%
21.02	18.95	13.68	13.54
0.00	18.10	7.60	9.07
$ 49,066	$ 61,678	$ 49,167	$ 55,444
62,700	99,075	62,883	71,833
45,129	76,822	43,340	51,713
303,407	465,367	359,779	408,465
66,126	75,720	55,654	64,280
67,762	110,835	66,954	77,939
48,932	85,817	46,195	55,996
0	200,000	384,722	533,333
630%	560%	339%	341%
33.13%	41.57%	35.42%	35.66%
153.19	69.49	122.87	157.17
$ 16,309	$ 24,249	$ 17,488	$ 19,837
14,482	22,344	13,860	14,832
23,419	33,240	28,044	34,280
0	15,695	32,308	38,588
$ 12,464	$ 17,622	$ 12,252	$ 12,684
12,489	18,166	11,069	11,141
2,750	11,889	13,652	14,853
0	13,673	25,046	27,695
20,831	42,042	34,813	42,545
9,750	28,450	20,641	30,961
20,831	42,446	46,409	59,939
0	13,812	27,645	41,467
25.8	42.8	66.3	54.8
27.88%	33.61%	28.14%	32.33%
$ 18,998	$ 35,566	$ 19,822	$ 25,285
8.26%	6.51%	11.35%	14.20%
$ 4,374	$ 2,708	$ 5,779	$ 7,634

RETURN ON INVESTMENT (ROI) CHART - ALL FIRMS REPORTING

RETURN ON INVESTMENT CHART - BASE: $100 OF SALES


PROFIT LEADERS
ALL FIRMS
RETURN ON GROSS ASSETS
25.57%
14.21%
MULTIPLIED BY
INVESTMENT TURNOVER %
155.84%
174.09%
NET SALES
$100.00
$100.00
DIVIDED BY
TOTAL GROSS ASSETS
$64.17
$57.44
CURRENT ASSETS
$20.03
$19.15
PLUS
GROSS PLANT FACILITIES
$43.78
$37.04
PLUS
NON-CURRENT ASSETS
$0.36
$1.25
CASH
$7.07
$5.04
PLUS
RECEIVABLES
$8.42
$8.64
PLUS
INVENTORIES
$3.56
$3.50
PLUS
MARKETABLE SECURITIES
$0.01
$0.23
PLUS
OTHER CURRENT ASSETS
$0.97
$1.74
INCOME AS A % OF SALES
16.41%
8.16%
INCOME
$16.41
$ 8.16
DIVIDED BY
NET SALES
$100.00
$100.00
NET SALES
$100.00
$100.00
MINUS
OPERATING COSTS
$83.59
$91.84
COST OF SALES
$68.81
$71.44
PLUS
SELLING EXPENSES
$6.21
$5.71
PLUS
ADMINISTRATIVE EXPENSES
$ 8.57
$14.69

RETURN ON INVESTMENT - PER $100 OF SALES

	SALES FROM 0-$250,000		SALES FROM $250,000-$500,000**	SALES FROM $500,000-$1,500,000**	SALES FROM $1,500,000-$5,000,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
INVESTMENT						
Current Assets:						
Cash	$ 3.68	$ 2.21	$ 6.35	$ 5.86	$ 8.14	$10.78
Receivables	5.85	6.19	7.01	11.43	16.45	14.36
Inventories	3.70	3.75	2.75	3.38	4.31	3.85
Marketable securities	0.00	0.00	0.00	0.00	0.12	0.02
Other current assets	2.87	0.85	0.84	0.79	0.93	0.99
	16.10	13.00	16.95	21.46	29.95	30.00
Plant Investment:						
Land and building	1.72	0.00	0.00	0.83	0.00	0.00
Machinery and equipment	41.63	59.95	20.88	27.82	13.15	9.56
Other fixed assets	4.39	4.15	1.21	8.12	12.46	4.43
	47.74	64.10	22.09	36.77	25.61	13.99
Non-Current Assets	0.33	0.30	2.37	1.53	0.11	0.01
TOTAL INVESTMENT	64.17	77.40	41.41	59.76	55.67	44.00
INVESTMENT TURNOVER PER $100 OF SALES	155.84%	129.20%	241.49%	167.34%	179.63%	227.27%
EARNINGS						
Cost of Product	$72.66	$72.70	$72.12	$66.39	$71.86	$67.67
Selling Expenses	4.51	3.32	3.71	11.36	6.40	8.06
Administrative Expenses	15.50	7.53	13.56	15.67	10.57	11.25
	92.67	83.55	89.39	93.42	88.83	86.98
Income Before Interest, Other Income (Expense), and Taxes	7.33	16.45	10.61	6.58	11.17	13.02
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	11.42%	21.25%	25.62%	11.01%	20.06%	29.59%

** Sample insufficient for Profit Leaders.

REPORT ON OPERATIONS - SALES = 100%

	METROPOLITAN		NON-METROPOLITAN	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIAL				
Paper	14.46	14.75	14.75	11.14
Other chargeable materials	7.45	4.93	4.44	1.68
Outside services	8.48	10.70	5.76	3.16
TOTAL MATERIAL	30.39	33.38	24.95	15.98
FACTORY PAYROLL	22.97	23.35	26.88	29.02
FACTORY EXPENSES	17.76	14.79	21.04	24.66
TOTAL FACTORY COST OF PRODUCT	71.12	68.52	72.87	69.66
GROSS PROFIT	28.88	31.48	27.13	30.34
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	15.74	9.54	9.93	5.69
Selling expenses	6.03	6.68	4.28	4.79
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	21.77	16.22	14.21	10.48
INCOME BEFORE INTEREST EXPENSE	7.11	15.26	12.92	19.86
Interest expense	1.39	0.53	2.69	2.32
OPERATING INCOME	5.72	14.73	10.23	17.54
Other income	0.36	1.00	0.02	0.00
INCOME BEFORE INCOME TAXES	6.08	15.73	10.25	17.54

SUPPORTING SCHEDULES - SALES = 100%

	METROPOLITAN		NON-METROPOLITAN	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
OTHER CHARGEABLE MATERIALS				
Ink	1.28%	0.45%	1.73%	0.10%
Film	1.70	0.95	0.03	0.04
Plates	1.43	2.46	1.20	1.30
Other chargeable materials	3.04	1.07	1.48	0.24
TOTAL OTHER CHARGEABLE MATERIALS	7.45	4.93	4.44	1.68
OUTSIDE SERVICES				
Composition	1.16	0.00	1.80	0.21
Offset preparation	0.00	0.00	0.17	0.30
Printing	6.30	10.70	0.48	0.84
Binding	0.12	0.00	0.08	0.14
Other outside services	0.90	0.00	3.23	1.67
TOTAL OUTSIDE SERVICES	8.48	10.70	5.76	3.16

SUPPORTING SCHEDULES - SALES = 100%

	METROPOLITAN		NON-METROPOLITAN	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.40%	3.34%	2.38%	1.98%
Direct wages	17.25	16.24	15.51	10.95
General factory salaries and wages	0.64	0.54	6.66	13.31
Packing, shipping and delivery wages	0.53	0.92	0.01	0.02
Payroll taxes	1.39	1.26	1.73	1.58
Employee benefits	0.76	1.05	0.59	1.18
TOTAL FACTORY PAYROLL	22.97	23.35	26.88	29.02
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.07	0.00	0.25	0.00
Depreciation - other	3.54	3.13	3.88	4.81
Taxes - real estate	0.10	0.00	0.12	0.00
Taxes - other	0.20	0.14	0.44	0.56
Insurance	0.70	0.76	0.69	0.56
Building rent	3.63	2.76	3.42	5.03
Utilities - heat, light, etc.	0.84	0.70	1.15	1.41
Equipment rental	3.92	3.10	8.15	8.11
Total Fixed Expenses	13.00	10.59	18.10	20.48
Other Expenses				
Factory supplies and expense	0.71	0.42	1.00	1.97
Packing, shipping and delivery expense	1.54	1.21	0.36	0.01
Repairs and maintenance	1.77	1.63	1.49	2.19
Other factory expenses	0.74	0.94	0.09	0.01
Total Other Expenses	4.76	4.20	2.94	4.18
TOTAL FACTORY EXPENSES	17.76	14.79	21.04	24.66
ADMINISTRATIVE EXPENSES				
Salaries - executive	6.73	2.12	5.49	1.99
Salaries - office	3.42	2.87	0.00	0.00
Payroll taxes	0.53	0.23	0.19	0.39
Employee benefits	0.78	0.51	0.60	0.00
Bad debts	0.30	0.32	0.09	0.02
Office supplies and expenses	0.58	0.61	0.60	0.51
Professional fees	0.69	0.88	1.36	0.95
Taxes - business	0.18	0.24	0.02	0.00
Telephone	0.78	0.55	0.78	0.99
Other administrative expenses	1.75	1.21	0.80	0.84
TOTAL ADMINISTRATIVE EXPENSES	15.74	9.54	9.93	5.69
SELLING EXPENSES				
Salaries - executive	0.77	2.12	0.00	0.00
Salaries and commissions - salesmen	1.50	1.99	0.00	0.00
Salaries - sales office clerical	0.43	0.11	0.00	0.00
Payroll taxes	0.18	0.09	0.00	0.00
Employee benefits	0.18	0.25	0.00	0.00
Advertising	1.55	1.10	3.33	4.42
Travel and entertainment	0.67	0.63	0.60	0.21
Other selling expenses	0.75	0.39	0.35	0.16
TOTAL SELLING EXPENSES	6.03	6.68	4.28	4.79

BALANCE SHEET

	METROPOLITAN		NON-METROPOLITAN	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	14.73%	22.05%	8.96%	9.01%
Receivables	24.19	26.35	12.04	5.87
Inventories	9.44	8.05	7.58	8.79
Other current assets	6.17	2.71	1.38	2.77
TOTAL CURRENT ASSETS	54.53	59.16	29.96	26.44
FIXED ASSETS				
Real estate	1.37	1.38	10.83	0.00
Less: Accumulated depreciation	0.30	0.82	1.97	0.00
	1.07	0.56	8.86	0.00
Machinery and equipment	67.04	73.33	87.28	115.86
Less: Accumulated depreciation	34.84	38.21	36.54	49.12
	32.20	35.12	50.74	66.74
Other fixed assets	13.95	9.03	3.72	6.13
Less: Accumulated depreciation	4.25	4.27	1.42	2.39
	9.70	4.76	2.30	3.74
NET FIXED ASSETS	42.97	40.44	61.90	70.48
OTHER ASSETS	2.50	0.40	8.14	3.08
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY (DEFICIT)				
CURRENT LIABILITIES				
Notes payable	4.50	0.61	13.91	27.17
Accounts payable	13.75	10.05	6.60	3.31
Other current liabilities	7.87	6.24	4.76	5.39
TOTAL CURRENT LIABILITIES	26.12	16.90	25.27	35.87
LONG-TERM LIABILITIES	35.17	20.22	69.09	88.87
TOTAL LIABILITIES	61.29	37.12	94.36	124.74
SHAREHOLDERS' AND PROPRIETORS' EQUITY (DEFICIT)	38.71	62.88	5.64	(24.74)
TOTAL LIABILITIES AND EQUITY (DEFICIT)	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	2.09	3.50	1.19	0.74
QUICK RATIO	1.73	3.02	0.89	0.49
TOTAL LIABILITIES TO EQUITY (DEFICIT)	1.58	0.59	16.73	(5.04)
LONG-TERM LIABILITIES TO EQUITY (DEFICIT)	0.91	0.32	12.25	(3.59)
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.52	0.52	0.42	0.42

SIGNIFICANT FACTS

	METROPOLITAN		NON-METROPOLITAN	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 21,120	$ 21,759	$ 19,158	$ 24,082
Average assets per factory employee (Excluding Executives)	37,771	35,376	22,598	25,750
Average net worth per employee - All employees	7,882	12,998	1,362	(2,468)
Average gross plant investment per factory employee (Excluding Executives)	33,553	31,224	22,974	30,293
Net worth percentage of fixed assets	139.47%	349.32%	18.52%	(54.93)%
EMPLOYEES				
Percent factory - All employees	67.72%	77.00%	88.56%	95.45%
Percent administrative - All employees	25.88	16.35	11.44	4.55
Percent sales - All employees	6.40	6.65	0.00	0.00
SALES - VALUE OF PRODUCT PRODUCED				
INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 51,638	$ 52,623	$ 44,338	$ 46,955
Sales per factory employee	82,484	77,699	50,371	49,717
Sales less material per factory employee	57,589	52,644	38,401	43,121
Sales per administrative employee	240,992	326,314	267,419	303,738
EXCLUDING EXECUTIVES				
Sales per employee - All employees	62,993	59,058	55,433	53,092
Sales per factory employee	89,732	82,473	55,433	53,092
Sales less material per factory employee	63,098	56,101	42,204	46,370
SALES PER SALESMAN	338,542	422,222	0	0
SALES TO CURRENT ASSETS	619%	772%	1,087%	1,033%
PAYROLL - INCLUDING TAXES AND BENEFITS				
INCLUDING EXECUTIVES				
Total payroll percentage of sales	37.50%	33.64%	33.17%	31.38%
Factory payroll percentage of gross plant investment	84.84	90.00	115.00	55.04
Payroll per employee - All employees	$ 18,939	$ 17,269	$ 14,659	$ 14,958
Payroll per factory employee	17,526	15,583	13,511	14,463
Payroll per administrative employee	24,090	19,824	18,081	14,362
Payroll per sales employee	9,613	18,099	0	0
PAYROLL - EXCLUDING TAXES AND BENEFITS				
EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 14,172	$ 13,147	$ 11,833	$ 12,552
Payroll per factory employee	14,933	13,097	11,833	12,552
Payroll per administrative employee	8,942	6,451	0	0
Payroll per sales employee	7,892	13,347	0	0
EXECUTIVE PAYROLL				
Payroll per executive - All executives	28,470	23,568	15,750	12,000
Payroll per factory executive	13,395	17,481	9,750	12,000
Payroll per administrative executive	52,240	26,373	15,750	12,000
Payroll per sales executive	7,677	20,531	0	0
RECEIVABLES				
Collection period	36.4	38.6	16.2	11.0
PROFIT				
Gross profit percentage of sales	28.88%	31.48%	27.13%	30.34%
Average gross profit per factory employee	$ 26,864	$ 27,619	$ 15,474	$ 17,384
Income before taxes percentage of sales	6.08%	15.73%	10.25%	17.54%
Average income before taxes per employee	$ 2,988	$ 8,070	$ 5,059	$ 8,829

RETURN ON INVESTMENT - PER $100 OF SALES

	METROPOLITAN		NON-METROPOLITAN	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 5.59	$ 8.59	$ 2.58	$ 2.53
Receivables	9.60	10.22	4.38	3.01
Inventories	3.61	3.51	2.98	3.69
Marketable securities	0.28	0.01	0.00	0.00
Other current assets	2.04	1.04	0.38	0.75
	21.12	23.37	10.32	9.98
Plant Investment:				
Land and building	0.52	0.55	4.29	0.00
Machinery and equipment	27.70	32.56	41.32	60.68
Other fixed assets	6.43	3.79	2.14	3.76
	34.65	36.90	47.75	64.44
Non-Current Assets	1.00	0.20	2.36	0.84
TOTAL INVESTMENT	56.77	60.47	60.43	75.26
INVESTMENT TURNOVER PER $100 OF SALES	176.15%	165.37%	165.48%	132.87%
EARNINGS				
Cost of Product	$71.12	$68.52	$72.87	$69.66
Selling Expenses	6.03	6.68	4.28	4.79
Administrative Expenses	15.74	9.54	9.93	5.69
	92.89	84.74	87.08	80.14
Income Before Interest, Other Income, and Taxes	7.11	15.26	12.92	19.86
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	12.52%	25.24%	21.38%	26.39%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING**		
		TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	22	$ 393,000	$1,004,000	$ 73,000
TOTAL - PROFIT LEADERS*	8	381,000	1,056,000	146,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$250,000	10	83,000	181,000	8,000
$250,000-$500,000	4	95,000	330,000	25,000
$500,000-$1,500,000	4	375,000	888,000	60,000
$1,500,000-$5,000,000	3	1,063,000	2,664,000	303,000
PROFIT LEADERS				
0-$250,000	4	93,000	166,000	26,000
$1,500,000-$5,000,000	2	1,083,000	3,209,000	411,000
BY AREA				
ALL FIRMS				
Metropolitan	18	460,000	1,177,000	83,000
Non-Metropolitan	4	89,000	225,000	26,000
PROFIT LEADERS				
Metropolitan	6	475,000	1.335,000	180,000
Non-Metropolitan	2	99,000	220,000	45,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of its size.

The following example illustrates how this calculation process eliminates the problem of the ratios giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales	
			Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages.

BASIC GUIDE TO USING YOUR QUICK PRINTERS' RATIO STUDY

You have to know where you stand to make accurate decisions concerning your future. This guide to the ratio study, provided by the American Quick Printing Association, will give you a brief explanation of the purpose of the ratio study and a basic procedure to use to assess information about your shop.

The PURPOSE of the Quick Printers' Ratio Study is to serve as a guide to problem areas in your shop which can inhibit your growth and profitability. The study pinpoints:

- Where other quick printers of your sales volume and in a similar market area are financially.
- Profit leaders in your sales volume and market area.
- Problem areas, specifically from paper costs to getting a return on your investments, that are not pulling their weight that need attention because they are decreasing your profits.

WHY RATIOS? This financial study is presented in percentage form based on sales. Therefore, convert your statements to percentages of your sales volume to make specific comparisons. The PIA Ratio Study Program utilizes percentages because dollar amounts can vary for each quick printing shop, but percentages with the base of 100% of sales volume provide a common base for more accurate comparison.

BASIC PROCEDURE to use the Quick Printers' Ratio Study is to prepare your Statement of Operations and Balance Sheet, based on your sales volume figure percentages. You can do this, one item at a time comparing each item as you progress...or convert your information at one time, then compare taking special note of problem areas. If you participated in the study, it is a good idea to get your copy of your input and the Chart of Accounts provided by PIA to refresh your understanding of the data.

Compare your percentages to the profit leaders in your sales volume category in Chapter 1, then in your type of market in Chapter 2. If you see a large discrepancey in a particular area, multiply and convert the figures back to dollars, using your sales volume as a base, to get the actual cost of this problem area to your shop. By using this comparison, the study can give you specific direction as to where you can increase your current profits by focusing more effective management controls on areas that are not pulling their weight in your operation.

You now have a standard to investigate and improve your operation. Now that you are familiar with the use of this study, as you participate each year, make it a habit to thoroughly check your shop at least yearly to see how you measure with your peers in each of the categories.

KEEP IN MIND in working with this data, that when you participate, your firm's individual ratios are computed, then combined with individual ratios of other similar firms, rather than being based on a total dollar sum percentage for a group of companies. The result is a more representative ratio of the quick printing industry on a "common size basis"...where your shop is directly reflected and also used to evaluate other operations. A more specific guide, going step-by-step through a sample firm evaluation, is available in the first volume of the PIA Ratio Studies if you decide to perform a more detailed analysis.